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R. E. Irish Now President of Union Mutual Life

W. B. Drummond Chairman of Board—Other Executives Are Advanced

PORTLAND, ME. — Wadleigh B. Drummond has been elected chairman of the board and solicitor of the Union Mutual Life of Portland, and Rolland E. Irish has been advanced to the presidency, succeeding

Sylvan B. Phillips, who retires because of ill health, but who will continue an active interest as a director and member of the finance committee. Other changes in the official family of the Union Mutual, made at the annual meeting here this week, include the naming of A. Thomas Lehman as vice-president and actuary and Harold D. Lang as vice-president and secretary. Until now Mr. Lehman has been actuary and Mr. Lang secretary.

Mr. Phillips is the beloved "grand old man" of the Union Mutual. He began with the company as a stenographer in 1886 and hence has spent practically his entire business life with the company. He has exerted a steady and conservative influence.

Drummond Family Connection

Mr. Drummond, who assumes the newly-created position of chairman of the board, has been a director since 1917 and vice-president since 1928. He is one of the outstanding attorneys of northern New England. Both his father and grandfather were officers of the Union Mutual, and it has become traditional that a member of the Drummond family shall serve the company in an official capacity.

Rolland E. Irish, the new president, is widely known in the life insurance world. He has had an extensive experience as agent, supervisor, general agent, agency superintendent and company official. He began with the Reliance Life as an agent and later assumed charge of its Minneapolis office. He spent several years in agency work with the National Life, U. S. A., and the Bankers Reserve of Omaha. For a number of years he was vice-president and agency manager of the Central Life of Chicago, and in 1934 he was elected vice-president of the Union Mutual. Since that date, Mr. Irish has carried forward a program of revitalization and rejuvenation which has considerably quickened the company's pace. Mr. Irish has attracted a number of capable men to the company, both as general

Much Interest Taken In What SEC Will Propose

Considerate Treatment Is Given Company Representatives as Witnesses

By ROBERT B. MITCHELL

WASHINGTON—People do not take kindly to intimations by outsiders that their children, home towns, or the companies for which they work are less than perfect. Therefore it is not surprising to find that life insurance men feel that their business has been given a touch of smear treatment by the monopoly committee.

Yet it is only necessary to think back to other investigations in other fields to realize how vastly fairer the present inquiry has shown itself than might have been the case and to appreciate that the life insurance business has been getting extremely mild, considerate treatment, at least up to press time this week.

Gives Defenders a Break

As if to offset as far as possible any apparent reflections on the institution of life insurance, the committee seems to have gone out of its way to let the defenders of life insurance bring out all the points they cared to on the constructive side. Witnesses who feel that their answers, because of the public's general lack of understanding of the intricacies of life insurance, might be misunderstood, were permitted to clear up these points and frequently Chairman O'Mahoney and other members of the committee, notably Senator King and SEC Chairman Douglas, took the initiative in forestalling the possibility of an unfortunate inference getting into the record and spread throughout the country through the newspapers. Even so, there were inevitably some bad publicity breaks.

Even in connection with the headline-making testimony about the "forged" ballots in the election of directors of the Metropolitan, the committee made it clear that it did not consider there was anything in the slightest degree sinister about the alleged practice either on the part of the agents who admitted they did it or of the officers, who were as much surprised as the spectators to hear about it.

No Curb on Witnesses

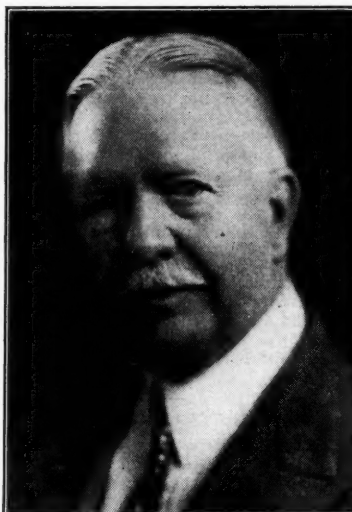
When President L. A. Lincoln of the Metropolitan Life broke in during the agent's testimony to declare vehemently that neither he nor any other responsible officer of the company had ever heard of the practice of agents signing the ballots themselves, no effort was made to keep him from speaking up nor did any of the inquisitors make any statement or ask any question casting doubt on Mr. Lincoln's sincerity. While

(CONTINUED ON PAGE 26)

agents and junior company officials. His development plans have made the company an active factor in the field, particularly in the New England and middle Atlantic states.

Douglas Will Suggest "Improvements" in Mutual Company Elections

WASHINGTON—By the middle of its second week of hearings on life insurance the monopoly committee had heard elaborate testimony aimed at proving such well known facts as (1) life companies hold for the benefit of their policyholders, billions of dollars of assets, the bulk being held by a relatively



T. A. BUCKNER

few large companies; (2) policyholders are well enough satisfied with the way things are run so that they are apathetic about voting for directors or even worrying about whether they have the right to vote, so much so that even the company which goes to greatest lengths to get out the vote has never obtained a response from more than 25 percent of those eligible to vote.

The committee will not hear the SEC's testimony on private placements at the current series of hearings. This will very likely be introduced at later hearings, not necessarily those dealing specifically with insurance. Present insurance hearings are expected to suspend at the end of this week.

Whether or not the SEC gets the \$300,000 to \$500,000 appropriation it wants for continuing its insurance study, it is predicted that the latter will go on, the thoroughness depending on the amount of money available.

Must Reckon with Congress

Even if the appropriation is granted to the monopoly committee, and most people think it will be, Congress is likely to keep much tighter grasp on the purse strings. Of the \$500,000 appropriation for the entire monopoly investigation, \$400,000 was placed in the President's hands to distribute among the govern-

(CONTINUED ON PAGE 9)

Nothing But "Millionaires" on Louisville Program

Arrangements Completed for Mid-year National Parley and Sales Congress

LOUISVILLE—Speakers at the sales congress of the Louisville Life Under-

writers Association that coincides with the mid-year meeting of the national council of the National Association of Life Underwriters will consist entirely of million dollar producers. J. Colgan Norman, Penn Mutual, is general chairman of the sales congress, which will be held March 31. The speakers who have agreed to appear are: Ralph G. Englesman, Penn Mutual, New York; Grant Taggart, California-Western States Life, Cowley, Wyo.; Harry T. Wright, Equitable Society, Chicago; Stanley Martin, State Mutual, Columbus, O., and Paul Sanborn, Connecticut Mutual, Boston.

The national council meeting will be held April 1.

The general chairman of arrangements for the doings in Louisville is E. W. Baker, district manager for John Hancock Mutual. For the past two years Mr. Baker has been planning for this meeting. He personally extended the invitation in behalf of his city. Mr. Baker has been with John Hancock throughout his entire insurance career, starting in Dayton, O., on a debit in 1921. Two years later he became assistant manager at Minneapolis. In 1926 he was made manager in Louisville. John Hancock had never operated in Kentucky previous to that time. In 1932 the Louisville district led all John Hancock districts in weekly premium increase and in 1937 it led its class in ordinary quota production and was second in its class in ordinary conservation. He has been national committeeman of the Louisville association for the past two years.

R. F. Clendenin, Northwestern Mutual, heads the finance committee in connection with the Louisville meeting; John K. Taylor, Equitable Society, is chairman of the entertainment committee.

Pa. Federation Meet May 16-17

The annual meeting of the Pennsylvania Insurance Federation is to be held in Pittsburgh May 16-17. Charles H. Bokman, Pittsburgh manager for New Amsterdam Casualty, will be in charge of the local arrangements. H. W. Teamer, secretary of the Federation, was in Pittsburgh this week for the observance of Pittsburgh Insurance Day, and made some preliminary arrangements.



E. W. BAKER

Annual Statements This Year Are Perused with Interest

PENN MUTUAL LIFE

Penn Mutual Life shows premiums \$69,933,157, total receipts \$118,723,272, paid policyholders \$54,870,748, total disbursements \$84,922,113, excess \$33,801,158, assets \$702,629,809, surplus \$30,793,056, new business \$155,903,043; insurance in force \$1,951,750,079, total paid policyholders since 1847, \$1,204,852,530.

JOHN HANCOCK MUTUAL

The John Hancock Mutual Life new statement shows insurance in force increased by \$76,319,647 to \$4,175,557,199, the greatest in its history. The assets are \$920,507,589, gain \$65,427,204. It paid policyholders \$92,791,267 or \$308,277 each business day. Dividend reserve for 1939 is \$19,567,271, increase \$1,163,482. Its premiums are \$164,575,707, increase \$12,700,000. The surplus resources including contingency reserve of \$25,000,000 amount to \$81,010,361, which is 9.65 percent of the liabilities. President Cox announced that the dividend formula adopted for ordinary policies in 1937 and continued last year will be continued in 1939. Dividends on retirement annuities and group policies remain unchanged as well as the scale of surplus distribution on industrial policies.

METROPOLITAN LIFE

The Metropolitan Life has published its new annual statement showing assets \$4,942,900,417. The portfolio shows bonds \$2,702,461,318, stocks \$88,452,477, mortgages \$979,562,124, real estate \$392,187,370, cash \$108,817,445, policy loans \$526,263,388, surplus \$292,391,071, voluntary reserve \$21,000,000; life insurance in force \$22,612,403,594 of which \$11,556,261,130 is ordinary, \$7,550,316,755 industrial and \$3,505,825,709 is group. Its new business last year was \$1,810,355,017, of which \$875,945,241 was ordinary, \$832,256,074 industrial and \$102,153,702 group. Life insurance revived and increased amounted to \$546,533,656. The amount paid to policyholders last year was \$566,356,290, of which \$291,128,149 went to ordinary and group, \$260,990,747 industrial and \$14,237,395 accident and health. Its assets increased \$223,179,590.

SUN LIFE OF CANADA

The Sun Life of Canada last year paid \$83,000,000 to policyholders. Of this amount \$28,000,000 was paid in death and disability benefits, \$24,000,000 annuity and matured endowments and nearly \$3,000,000 as policyholders' dividends. Its total payment to policyholders has reached over \$1,200,000,000. The Sun Life has 1,000,000 policyholders. President A. B. Wood at the annual meeting spoke of the part that interest plays in life insurance and how investment of funds keeps the wheels of industry turning. Sun Life investments last year were \$100,000,000. To find suitable channels

for the safe investment of these savings at satisfactory rates of interest, President Wood said, is not a simple matter. To a large extent the Sun Life has met this problem by the use of government securities as an outlet for these funds.

Surplus and contingency reserve amount to \$30,000,000. Surplus earnings for the year were \$23,000,000, assets increased by \$44,600,000, now being \$875,000,000. The bond account increased by \$54,000,000 and now stands at over \$423,000,000, representing 48.3 percent of the assets. Common stocks are 27.1 percent of the assets. Mortgages are \$34,000,000. Nearly \$200,000,000 of new insurance was placed on the books, bringing the total insurance in force to over \$2,900,000,000. Premium income was over \$113,000,000 and investment income over \$31,000,000. The total income was \$154,000,000, increase \$2,500,000. The disbursements were \$111,000,000.

President Wood said, with regard to the coming year, he believed there were sound reasons for expecting modest improvement. The present trend of life insurance sales is already promising, he declared, and given favorable world conditions a greater volume of business may be expected this year.

WASHINGTON NATIONAL

The Washington National of Chicago shows assets \$43,114,368 including \$32,567,215 of the National Life, U. S. A., fund. Of this amount 12.82 percent is cash, 29.83 government bonds. Its capital is \$1,250,000 and net surplus \$1,477,020. The life insurance in force is \$211,419,982. The surplus increased \$333,486. The government bonds were increased by \$853,057.

AMERICAN UNITED LIFE

The annual statement of the American United Life shows an all time high for insurance in force, \$278,596,983. Assets increased to \$49,225,595 and surplus increased more than 12 percent. New insurance totaled \$42,102,270, a 10 percent increase.

LUTHERAN MUTUAL LIFE

The new statement of the Lutheran Mutual Life of Waverly, Ia., shows premiums \$1,801,544, total income \$2,267,099, paid policyholders \$658,782, total disbursements \$1,024,945, assets \$9,244,174, contingency reserve \$390,775, net surplus \$523,255, mortality ratio 26.1, interest earned 4.06 percent.

WESTERN LIFE OF MONTANA

The new figures of the Western Life of Montana show assets \$14,453,761, of which 41.46 percent were bonds, 30.62 mortgages, 22.36 policy loans, 1.36 cash. A feature in its statement is that it carries no real estate. The balance due on real estate sold is \$240,177. The capital

is \$500,000, voluntary contingency surplus \$300,000 and net surplus \$1,500,000. For each \$100 obligations it has \$118.90 in resources. None of the bonds listed in the statement are in default, either as to interest or principal. It owns no stocks and all real estate previously foreclosed has been sold or charged off. The home office building is carried as an asset in the sum of \$1. The average interest return on the investment assets is 5.07 percent.

FEDERAL LIFE

The Federal Life of Chicago in its new statement shows assets \$16,519,598. It carries \$250,000 as investment fluctuation reserve. Its capital is \$375,000, contingency reserve \$50,000 and net surplus \$474,502. The surplus increased \$106,408. A year ago it was \$368,094. There were some \$30,000 added to the investment fluctuation reserve and \$20,000 was charged off as depreciation on the home office building. Last year the company charged off \$680,000 of the investment fluctuation reserve, to non-admitted assets. The Federal has improved its liquidity by increasing its bond holdings \$1,000,000. In fact, its liquid assets are now 29.18 of the whole. Mortgage loans and real estate decreased \$987,867 and represent 47.02 of the assets.

BERKSHIRE LIFE

Berkshire Life assets in 1938 gained \$2,645,767, bringing the total to \$61,547,269. New business gained 6.7 percent and insurance in force showed an increase. Excess of income over disbursements was \$2,791,362. Reserves for depreciation of assets and surplus increased.

Vacancies in the board were filled by the election of Congressman Allen T. Treadway, Superior Judge William A. Burns and Laurence R. Connor, president Agricultural National Bank of Pittsfield.

The date of the annual meeting was changed from Jan. 20 to Feb. 8 beginning in 1940.

MONARCH LIFE

Monarch Life reported assets of \$5,495,596 at the end of 1938, an increase of 14.1 percent. This is the largest in the history of the company. Gross income was \$3,799,479. Life insurance in force increased 35.9 percent and accident and health insurance 34.5 percent. Total paid to policyholders and beneficiaries was \$1,475,791, reported President C. W. Young.

WEST COAST LIFE

West Coast Life reports capital \$375,000; surplus \$225,000; contingency reserves for real estate and mortgages \$316,000; general contingency reserve \$52,000; assets increased \$1,013,000; insurance in force increased \$1,168,000; new gross premiums totaled \$829,000, increase 17 percent. An examination as of Dec. 31, 1938, is now in progress by California, Oregon, Utah and Wyoming, the results of which will be available later.

Takes Over Scranton Life Agency Operations



W. G. SCHULTZ

W. G. Schultz has been appointed supervisor of agencies for Scranton Life and will assume responsibility for agency operations of that company. Although he has been associated with the actuarial and policyholders service division in the home office for the past 22 years, he has a most favorable individual production record, ranking very close to the company's leading producers. His home office background together with his selling experience is an unusual combination and should be valuable in his new work.

LEGISLATION

Missouri—A bill similar to the Robertson law of Texas has been introduced in Missouri, requiring life companies to invest 75 percent of their reserves on Missouri policies in Missouri securities. A bank life insurance bill has also been introduced in Missouri.

Pennsylvania—A determined effort will be made by life underwriters to have the present personal property tax amended, with special emphasis placed on elimination of the present tax on proceeds of life policies payable in installment incomes. The present law calls for an eight-mill tax on proceeds of life insurance policies, even in those cases where the widow is left the earned income with the principal held in trust for the children.

Texas—So many bills have been filed in the Texas house designed to adequately control and regulate the operations of assessment life and accident insurance concerns that a subcommittee of the house has been appointed to write a strong mutual aid law.

Michigan—The Michigan department is supporting a legislative move to legalize the commercial passenger aviation clause in life policies.

Wisconsin—Extension of the existing real estate mortgage moratorium law for another two-year emergency period is proposed in bills by Assemblyman Carson and Senator Rush.

Joins American Life Convention

The Kentucky Central Life & Accident of Anchorage, Ky., has been elected a member of the American Life Convention. It is licensed in Kentucky, Ohio, Indiana, West Virginia and Pennsylvania.

An agents' "Rushton Round-up" contest in honor of President W. J. Rushton, is being sponsored by Protective Life in the period Feb. 6-March 29. It is set up in rodeo style, leading "bronco busters" winning cash prizes.

FIGURES FROM DEC. 31, 1938 STATEMENTS

	Total Assets	Change in Assets	Surplus to Policyholders	New Bus. 1938	Ins. in Force Dec. 31, 1938	Change in Ins. In Force	Prem. Income 1938	Total Income 1938	Benefits Paid 1938	Total Disburs. 1938
Boston Mutual Life....	13,305,691	+587,615	704,242	24,161,627	86,260,311	+3,181,731	3,342,141	4,021,867	1,786,038	3,327,731
Connecticut Gen. Life..	246,598,612	+19,313,336	10,627,579	163,821,116	1,147,142,845	+19,775,916	36,780,877	54,749,152	21,183,802	34,993,063
Connecticut Mutual ..	336,215,698	+23,981,905	11,877,010	103,324,549	1,013,089,959	+33,948,891	41,354,782	64,949,054	26,334,108	41,669,136
Eureka-Maryland Assur.	8,548,734	+446,968	952,029	24,659,721	75,714,705	+2,482,732	1,958,120	2,387,410	948,917	1,952,898
Federal Old Line Life	6,588	+4,016	2,122	698,600	762,600	+460,300	13,133	14,280	2,500	11,661
Home Beneficial	8,940,350	+775,925	2,030,156	86,421,526	106,109,300	+9,847,164	4,754,135	5,142,066	1,711,376	4,343,007
Hoosier Farm Bur. Life	47,432	+15,353	15,274	1,214,966	3,101,576	+888,576	60,712	65,863	11,693	55,127
Homesteaders Life, Ia..	4,657,901	+86,033	137,379	1,800,141	18,559,722	+728,053	637,974	839,316	448,166	606,525
Indianapolis Life	22,094,811	+1,687,406	1,366,668	11,281,499	108,105,607	+2,027,817	3,156,885	4,893,138	1,834,653	3,200,427
Farmers & Bkrs. Life..	12,014,601	+638,069	1,733,194	11,104,601	53,514,769	+147,047	1,318,844	2,072,343	824,981	1,562,386
Liberty National, Ala..	4,750,759	+645,172	656,292	39,114,855	73,632,572	+6,487,893	2,126,285	2,406,369	564,527	1,761,442
Massachusetts Mut.	647,746,901	+38,058,532	20,937,902	138,457,848	1,931,760,137	+20,701,127	68,711,082	118,097,724	48,220,319	81,384,654
Monarch Life	5,495,596	+679,956	1,216,270	2,156,793	21,888,423	+977,891	648,535	3,739,100	184,918	3,042,816
Presbyterian Min. Fund	28,109,384	+1,233,160	1,697,062	4,243,093	60,884,022	+608,276	2,483,569	4,149,864	2,429,921	2,809,290
Republic Life, Okla....	669,962	+169,031	89,765	6,491,160	19,600,841	+3,565,722	404,431	439,395	109,282	294,940
Texas State Life	664,612	+346,320	40,625	7,850,355	6,253,788	+984,702	414,785	565,696	19,553	147,610
United Benefit Life....	12,954,468	+1,587,294	600,000	41,737,240	132,258,087	+7,543,186	3,242,171	4,213,786	1,026,482	2,671,606
United L. & A.	10,310,942	+587,157	952,563	4,762,495	42,694,777	+1,570,157	1,333,567	1,912,902	693,683	1,305,371
Western Life	14,453,761	+467,374	2,300,000	6,538,561	45,523,183	+1,366,224	1,395,456	2,345,480	1,047,326	1,907,115

*Inc. Rev. & Net.

**Ordinary and Industrial.

*To Mutual Company.

*Including Industrial.

**Also includes \$150,000 contingency reserve.

Fischer Is Appointed Iowa Commissioner

Governor's Campaign Manager Succeeds Pew to End of Term July 1

DES MOINES — Charles R. Fischer of Onawa, Ia., who has had wide experience in insurance, banking and securities, was appointed Iowa insurance commissioner by Governor George Wilson for the short term expiring July 1. The state senate confirmed the appointment and Fischer, returning from vacation at Tempe, Ariz., took office at once.



Charles R. Fischer

He replaced Maurice V. Pew, who was filling out the unexpired term of former Commissioner Ray Murphy of Ida Grove. Pew's appointment had not been confirmed by the senate and he retired 30 days after the legislature met.

Pew Makes Connection

Pew announced he had become vice-president of the Farmers Automobile Inter-Insurance Exchange and Truck Insurance Exchange, both of Los Angeles.

Fischer upon posting the required \$50,000 bond and taking office announced there would be no immediate change in department personnel. However, he is expected to replace many employees.

He is a Republican who of recent years has resided in Des Moines. He came here in 1924 as assistant budget director, previously having conducted an insurance and banking business at Onawa. He was appointed superintendent of the state securities department in 1931, and also served in the insurance department. He was manager for Governor Wilson during the last two campaigns.

Assured of Full Term

There is a proposal in the legislature to combine the banking and insurance departments. If this should go through, Fischer probably would be appointed to head up the combination, but if it should fail, he seems assured of reappointment as insurance commissioner for a four-year term beginning July 1.

Des Moines insurance executives appeared well pleased with the appointment and were expected to cooperate with the new insurance commissioner.

Fischer upon taking office announced he had resigned as a director of the Iowa Home Owners Mutual, and also had retired as secretary-treasurer.

Pew was credited with doing a fine job as commissioner. He recently was host to the National meeting of insurance commissioners and was a zone chairman. He was chief deputy under Commissioner Murphy.

Commissioner Fischer has announced that C. C. Kirkpatrick of Iowa City will be chief deputy in the insurance department. He has been an actuary in the department for 10 years and served as an examiner for four years prior to that. He will fill the vacancy created when Mr. Pew was elevated from first deputy to commissioner. The vacancy was never filled. John Speidel continues as second deputy.

Mr. Pew acted as commissioner during the time that Ray Murphy headed the department but was given a leave of absence when he became national commander of the American Legion.

Kenneth Fitch, leading producer of the Wichita, Kan., office of the New York Life, was reelected secretary of the Wichita Club.

Texas Commissioner Post Again Open

DALLAS, TEX. — The question of who will be the next chairman of the state insurance board to succeed R. L. Daniel is again open. The state senate rejected Truett Smith, nominee of Governor O'Daniel for the post. The governor has made no further suggestion for the place.

While it is reported politics played an important part in rejection of the West Texan, the senate itself is reported as taking the action because it felt Smith was without sufficient experience in insurance matters.

Carr Collins Mentioned

Carr P. Collins, chairman of the board Fidelity Union Life, who was named by the governor as highway commissioner, only to be rejected by the senate, it is now reported will be offered the post of insurance commissioner, which pays \$6,000 a year for a six year term. Earle Smyth, president Fidelity Union, is another mentioned, and still others are men from Fort Worth, San Antonio, Austin, Palestine and Amarillo. There is a report among insurance men that Daniel again will be offered the place. His term expired, but he will remain on the job until his successor qualifies.

Sidney Green, Dallas local agent, has been mentioned for the post. He is said to have the endorsement of Chairman E. B. Germany of the Texas Democratic executive committee. Mr. Germany is a strong O'Daniel man and is mayor of Highland Park, Dallas suburb.

Leuzinger Becomes Fowler's Aid

CINCINNATI—R. G. Leuzinger has been appointed agency manager for the L. D. Fowler agency of Connecticut Mutual Life. He was formerly manager here for Phoenix Mutual. He is chairman of the civics committee of the Cin-

Assumes Presidency of Union Mutual Life



ROLLAND E. IRISH

Rolland E. Irish, who has just been elected president of the Union Mutual Life of Portland, Me., is widely known among life executives. As vice-president of that company he has greatly accelerated its progress.

cinnati Life Underwriters Association and was chairman of life insurance week here in 1937.

Agents of the Atlanta and Charlotte, N. C. offices of the Mutual Life of New York met in Charlotte to celebrate the completion of a contest between the two branches which the Charlotte agents won.

Railroad Investors Are Organizing

Labor and Shippers Getting Too Much Through Efficient Cooperation

Insurance companies are interested in watching the operations of a new movement for the protection of railroad investors. While insurance companies have large railroad holdings, there are about 2,000,000 railroad investors all told. Representative Pettengill, Indiana, chairman of the House interstate commerce committee, recently stated that he could not recall, in his eight years' experience, any railroad investors speaking to him in regard to legislation either while he was in his home district or in Washington. There are about 5,000 railroad investors, on the average, in each congressional district.

S. O. Dunn Is Chairman

Samuel O. Dunn, who made a great reputation as editor of Railway Age, and is now chairman of the Simmons-Boardman Publishing Company, is temporary chairman of a movement to organize state associations of railroad investors. The object is to secure their influence in behalf of pending legislation which will improve the position of rail securities. Advisory boards of several hundred members are being organized in each state, to determine what legislation the state association will support or oppose.

Instead of employing paid representatives to present arguments to congress, it assists the investor in doing this for himself. It is considered a job which only the investor himself can do, as no one has quite so much influence with a member of Congress as those who elected him.

Insurance Men Among Leaders

The national body is the National Conference of Investors, 123 Liberty street, New York. Among the national directors are T. E. Braniff, Oklahoma, and Wallace J. Falvey, vice-president Massachusetts Bonding of Boston.

The organization of railroad investors is practically in self-defense. Other groups concerned with railroads, such as the employees, shippers and competitive forms of transportation, have so organized their membership that their views are systematically presented directly to members of Congress by their own constituents. Unfortunately for railroad investors, this procedure has been highly successful.

The National Conference of Investors is convinced that national associations, as such, are wholly incapable of securing home influence. For this reason state units are being formed. County committees will be organized. These have already functioned successfully in New York on state legislation. Frederick D. Russell, president Security Mutual Life, Binghamton, N. Y., is active in the association in that state.

Julian Remains in Consolidation

BIRMINGHAM—The Alabama insurance bureau now is a part of the newly created state department of commerce. A bill has been passed by the legislature and signed by the governor establishing the new department which combines the old departments of banking, insurance and building and loan.

Frank N. Julian remains as insurance superintendent at a salary of \$3,600 and James B. Little, Gadsden banker, was appointed to head the consolidated department.

Fred C. Williams, special agent New England Mutual Life, Lincoln, Neb., was elected president of the council of welfare agencies.

RETAIL SERVICE FOR RETAIL NEEDS

Life insurance is one of the greatest retailers in the United States, serving a public made retail-minded by the need for retailer service. The householder does not buy a carload of flour at one time, but takes a sack instead, to fit his family's needs. And so should he, in all possible situations, contract for the delivery of a periodic package of life insurance money, rather than for the dumping of a large single sum into the lap of his beneficiary,—packages of retail size, to cover specific needs through a term of years or a lifetime. For example:—Family incomes, various periods. Salary continuance, a few packages of bridging money. Educational fund, usually spread over a four-year period. Retirement incomes, for life's remainder. The Annuities group, chiefly for the quite elderly. Wholesale money, the large package, of course, for business insurance, estate conservation, and mortgage payment.

Because the public is retail-minded, so made by retail needs, contracts for protection's retail packages are the easiest sold. And their basic amount is higher than that of the casual hit-or-miss single sum policy.

THE PENN MUTUAL LIFE INSURANCE CO.

WM. H. KINGSLEY, Chairman of the Board

JOHN A. STEVENSON, President

Independence Square

PHILADELPHIA

Minnesota Mutual's Family Policy to Be Production Factor

Featured at the annual agency convention at San Antonio, Tex., last week, the family policy of the Minnesota Mutual seems likely to become a more important factor in the production of business this year. This policy, which was discussed at the convention by H. W. Allstrom, vice-president and actuary, was put on the market in March, 1933. During the nine months of last year, the production on it was \$3,512,000. The amount of the average policy was \$1,900 as compared with \$2,500 on regular policy forms.

The family policy provides coverage for an entire family in one policy. Units of \$250 are written at one-fourth of the regular annual rate. Women are written at the same rates as men. The policy is written on the nonmedical basis under 45 and up to a limit of \$3,500, but the amount is unlimited on the examined basis. Any number of units may be written on any life, but in every case the father must buy at least one unit.

Termed Family Group Policy

T. D. Carnahan, Des Moines, said that he refers to it as a family group policy, and makes the point that group insurance is usually obtainable only when 50 or more are covered. Mrs. G. A. Ralls, Houston, Tex., who wrote 96 family policies last year, said that the policy has a strong appeal when payroll deduction is being considered, and that the lapse ratio on the salary deduction cases she has written has been lower than on regular business.

P. F. Jenkins, Tacoma, Wash., said the industrial agent expects to get \$30 to \$80 a year from average home. The family policy can be made to produce more than that and in a larger number of homes. Coverage for the whole family can be sold when personal insurance on the head of the family alone does not appeal. Mr. Jenkins said that family policy sales create valuable prospect lists for later years.

Martin Navin, Chicago, who sold 52 family policies in 1933, said the policy appeals most to those with an income of \$40 to \$75 weekly. To such families it can be sold to the extent of about \$5 a month, or as the industrial agent would express it, \$1.25 a week.

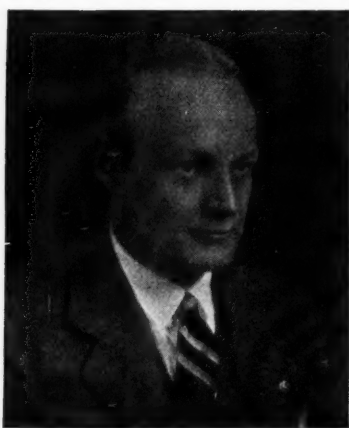
Life Men Participate in Pittsburgh Insurance Day

Although the observance of Pittsburgh Insurance Day Monday was primarily a fire and casualty affair, a large number of life insurance men attended the luncheon meeting that was addressed by Congressman Martin Dies of Texas. Seated at the head table were Frank C. Wigginton, Bankers Life of Iowa, president Pittsburgh Life Underwriters Association, and E. M. Aiken, secretary of that association. At the banquet Steacy Webster, Provident Mutual, president Pennsylvania Life Underwriters Association, was one of the "honored guests" at the head table. Jay N. Jamison, vice-president of Reliance Life, and J. D. Van Scoten, vice-president Standard Life of Pittsburgh, were also honored in this way.

Insurance Director Palmer of Illinois was the toastmaster and M. H. Taggart, who was just recently appointed commissioner of Pennsylvania, gave a brief, dignified talk in which he stated that his immediate task is to get together a competent personnel for the department. He said it is the job of the insurance supervisor to keep the roof from leaking and it is the job of the insurance industry to keep the house clean.

G. T. Reavis, Austin, Tex., agency manager the Seaboard Life, has been elected president of the Austin Ex-Student Association of Southwestern University, Georgetown, Tex.

Chicagoan General Agents Association Head



WILLARD EWING

Willard Ewing, who recently was appointed general agent in Chicago by the Provident Mutual Life, has also been elected president of the company's General Agents Association.

He is a former Life Underwriters Association president, was general agent in Kansas City before going to Chicago, and previously was in the home office at Philadelphia in agency supervision and executive duties.

New Commerce Decision Not Wholly Impossible

At the February meeting of the Chicago Life Insurance Lawyers Club, Clyde J. Cover, assistant counsel Lincoln National Life, discussed the subject, "Does the Commerce Clause Apply to the Business of Life Insurance?" Mr. Cover started with the proposition that the law is in a constant state of change. Old doctrines and ideas are under the judicial and legislative microscope for reevaluation in the light of present day conditions and needs.

The original case holding that insurance is not commerce was Paul vs. Virginia, in which an agent in West Virginia claimed the protection of the commerce clause of the constitution against a conviction for selling insurance without a license. This was in 1868. The court said, "issuing a policy of insurance is not a transaction of commerce."

First Life Insurance Case

The Paul case was adhered to in other decisions, but the next great landmark, the first in life insurance, was New York Life vs. Deer Lodge County, from Montana. While the court again ruled that insurance is not commerce it is observed that Justices Hughes and Van Devanter did not concur. The Deer Lodge decision reiterated that "contracts of insurance are not commerce at all, neither state nor interstate."

Admitting the apparent fixity of the opinion of the Supreme Court on commerce and insurance, Mr. Cover recalls the recent overthrow of the case of Smith vs. Tyson by a recent decision in Erie Railway Company vs. Tompkins. The principles of the Tyson case had seemed equally established and reestablished.

Later Decisions Lean Other Way

Significant, furthermore, are the rulings of the court in the lottery cases, the telegraph cases and the radio cases. A lottery ticket in its aspects as commerce is hard to distinguish from an insurance policy. The transmission of telegraphic intelligence bears a resemblance to communicating acceptance of a contract. The transmission of electric power, by wire or through the air, has been held by the supreme court to be commerce.

The decisions unholding phases of the National Labor Relations Board seem

Debate Nebraska Department Probe

LINCOLN, NEB.—The form that the legislative inquiry into the insurance business will take will be determined at the session Feb. 17, it was decided following unanimous action of the banking and insurance committee reporting the Miller resolution out to the floor. The limited discussion and absence of any objections indicated an investigation is assured.

The Miller resolution limits activities of the committee to be named to an inquiry into conflicting statements made with respect to handling of affairs by the department, and carries only a \$2,000 appropriation. It was amended to strike out a clause promising immunity to witnesses.

Has Unique Tax Proposal

Senator Craven, who wants the inquiry broadened to cover company practices, asked for a week's time to prepare a resolution expressing his opinion as to the scope of the proposed investigation, and to find out if the legislature legally can tax salaries and commissions of insurance company executives 2 percent to finance the cost of the inquiry. The present temper of the legislature indicates that if the treasury must pay the cost the investigation will be limited in extent.

Senator Miller told the committee the Craven proposal was too radical; that he had no intention either of smearing or whitewashing anybody. He said under the law it is too easy to write insurance in Nebraska.

He said he believed the department had done what it could.

Insurance Director Smrha said the department would welcome the opportunity to relate difficulties of administration and discuss remedial legislation. Under existing laws benefits accrue more to attorneys who begin lawsuits than to policyholders. The department, he said, has little power, yet the public belief is that it can afford complete protection against loss.

A number of members believe the situation can be remedied only by a revised code, and that this may be the main result of any inquiry.

Senator Craven indicated various matters that he wanted probed, including salaries paid and handling of reserve funds.

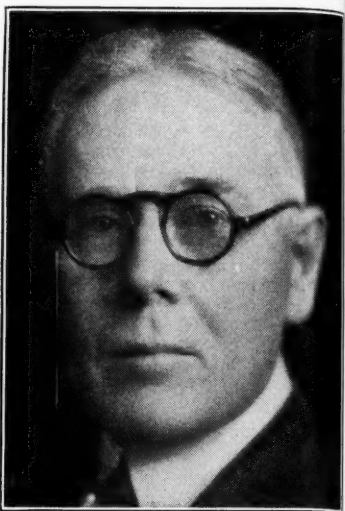
New Policies for Old

Joseph Schwartz, 115 North Broad street, Philadelphia, has issued a booklet entitled "New Policies for Old," exposing the independent insurance counselors, whose business is largely twisting. It brings out the points made by the counselors. Then it takes up the question of whether it pays to convert a policy. Another chapter is devoted to how to separate cash values from the actual insurance. It is shown that life companies charge only for yearly renewable term insurance in cash value policies and the cash value is kept separate from the insurance features. He tells about the automatic conversion form. Then he gives a number of questions and answers.

L. F. Richardson, Dallas agent of Lincoln National Life, has been named most valuable agent of the company for 1933. The awarding of this top honor depends not only on volume but also on all-around sales record. Since affiliating with the company in May, 1924, Mr. Richardson has established an outstanding personal production record.

To Mr. Cover of great significance. They not only accept the principle of regulation by Congress of incidents connected with commerce, but they are also signs of changes in the law. It may be observed that Justice Hughes, who did not concur in the Deer Lodge case, is now a strong influence in the court as chief justice.

American Life Convention Committees Are Appointed



C. A. CRAIG, Nashville

The committee appointed by the American Life Convention to make up its program for the next annual convention consists of C. A. Craig, National Life & Accident; G. S. Nollen, Bankers Life of Iowa, and T. A. Phillips, Minnesota Mutual.

The chairmen of the other committees are: Actuarial, R. E. Moyer, Continental Assurance; Agents and agencies, H. H. Armstrong, Travelers; aviation, D. E. Waggoner, United Fidelity Life of Dallas; blanks, W. P. Coler, American United Life; credentials, F. L. Alexander, Lafayette Life; departmental supervision, C. W. Young, Monarch Life, Springfield, Mass.; finance, C. F. O'Donnell, Southwestern Life, Dallas; grievances, Ellsworth Regenstein, Kentucky Home Mutual; investment, B. J. Perry, Massachusetts Mutual; medical examinations, Dr. D. B. Cragin, Aetna Life; membership, L. D. Cavanaugh, Federal Life; next annual meeting, Isaac Miller Hamilton, Federal Life; public relations, A. F. Hall, Lincoln National; resolutions, M. A. Hyde, secretary Security Mutual Life, Lincoln, Neb.; taxes, F. W. McAllister, Kansas City Life; total and permanent disability, G. W. Bourke, Sun Life of Canada; under average lives, E. C. Henderson, Connecticut General; uniform laws, E. J. McGivney, Pan-American Life; valuation of assets, G. S. Nollen, Bankers Life of Iowa.

Davenport Man Has Record of 27 Years "App" a Week

Here is another life agent with a great record of an application a week and this extends over 27 years. He is A. J. Thomas in the Carl LeBuhn agency of the Massachusetts Mutual Life at Davenport. Mr. LeBuhn found Mr. Thomas selling bananas in 1911. He decided to give up a job where he was earning \$75 a month and started to sell life insurance. In his first and leanest year he earned \$4,000 in first year commissions and \$3,000 in renewals. Mr. LeBuhn then was with the Phoenix Mutual. He told Mr. Thomas that if he strove for a weekly record of production that would make him successful. He had nearly three years of continuous weekly production in the Phoenix and then joined the Massachusetts Mutual, June 1, 1914. Mr. LeBuhn says that since June 13, 1911, he has never failed to secure at least one application a week even though there have been a dozen or more very close calls brought about by business disappointments, sickness or death in the family or some perplexing situations.

James H. Moorcroft of Detroit and L. B. Breneman of Lancaster, Pa., agents Midland Mutual, have completed seven years of consecutive weekly production.

HIGHLIGHTS

FROM THE

ANNUAL REPORT

OF THE



LINCOLN NATIONAL LIFE INSURANCE CO.

FORT WAYNE, INDIANA

BALANCE SHEET

As of December 31, 1938, Condensed from the Report Filed with the Indiana Insurance Department

RESOURCES		%	LIABILITIES		%
Cash in Bank and Office.....	\$ 2,543,464.38	1.7	Policy Reserves	\$134,081,248.75	90.6
<small>Balances are carried in 52 banks throughout the country.</small>			<small>This is the amount which with interest and future premiums will pay all policy claims as they mature.</small>		
*Bonds and Stocks	53,345,574.81	36.1	Additional Policyholders' Funds.....	492,823.92	.3
<small>The Company holds \$15,040,401 in U. S. and Canadian Government direct and guaranteed bonds; \$10,577,116 of state, provincial, county, and municipal bonds; \$9,113,549 in railroad bonds; \$15,626,815 in public utility bonds; \$1,863,683 in industrial and other bonds; \$867,700 in preferred stocks of railroads, public utilities, and basic industries; and other, \$156,311.</small>			<small>Amounts set aside for, or already apportioned to policies in addition to the reserve.</small>		
First Mortgage Loans.....	35,710,690.23	24.1	Premiums and Interest.....	2,201,230.13	1.5
<small>\$32,430,887 on city properties and \$3,279,803 on farm properties, the total being appraised at \$91,160,000. Where buildings are part of the appraisal, fire and other forms of insurance are carried and assigned to this Company. The greater part of these loans have been paid down substantially from the initial loan.</small>			<small>Many policyholders take the precaution to pay their premiums in advance to avoid possibility of overlooking them at the due date. Considerable interest on loans is also paid in advance.</small>		
Loans to Policyholders.....	22,403,796.86	15.1	Special Reserves—		
<small>No loan exceeds the cash value of the policy.</small>			For Claims not yet Completed or Reported	\$1,257,496.00	
Trusted Assets	9,536,193.83	6.4	For Taxes Payable in 1939	846,992.00	
<small>These assets are being administered by Trustees for benefit of policyholders of certain reinsured companies.</small>			For Commissions, Medical Fees and Other Bills not yet Presented ..	565,652.00	
Balance Due on Properties Sold Under Contract	3,249,413.95	2.2	For Miscellaneous Contingencies ..	580,123.00	
Real Estate	12,548,116.91	8.5	Total Special Reserves....	3,250,263.00	2.2
Interest Due and Accrued.....	1,122,506.36	.8	Total Liabilities to Others Than Stockholders	140,025,565.80	94.6
<small>Accrued but not yet due \$928,671.70; due \$193,834.66.</small>			Capital Stock	\$2,500,000.00	
Net Premiums in Course of Collection	4,367,976.32	3.0	Unassigned Surplus.....	3,500,000.00	
<small>These premiums were due but not received at the Home Office on December 31. A reserve of corresponding amount is included in our liabilities.</small>			Special Surplus for Contingencies	1,921,462.40	
Home Office Property.....	2,156,760.71	1.5	Surplus Funds to Protect Policyholders	7,921,462.40	5.4
All Other Resources.....	962,533.84	.6	To Balance Resources.....	\$147,947,028.20	100.0
Net Admitted Resources.....	\$147,947,028.20	100.0			

*Detailed list of bonds and stocks will be mailed upon request.

PROGRESS POINTS

New Paid Insurance in 1938.....	\$155,723,033	Gain in Funds to Protect Policyholders...\$	849,533
<small>This represents a gain of 2% over the year 1937.</small>		<small>Capital, Surplus, and Contingency reserves to protect policyholders now stands at \$7,921,462.</small>	
Insurance in Force at the end of 1938.....	995,423,126	Paid Policyholders & Beneficiaries in 1938	12,587,000
<small>This represents a gain of 4.3% during the year.</small>		Premium Income in 1938.....	23,484,000
Gain in assets during 1938.....	8,601,000		

Detailed copy of the 34th Annual Report booklet sent on request.

Regional Meeting Plan Adopted by Minnesota Mutual

San Antonio Gathering Is Last Big Round-up to Be Held

By H. J. BURRIDGE

Last week's agency convention of Minnesota Mutual Life at San Antonio, Tex., was the last general gathering to be held of the company's field force from the 27 states in which it operates, according to the present plan. It has been the custom of the Minnesota Mutual to hold a big round-up every 18 months. Attendance has been based on premium volume.

In the future the same amount of money that has been spent for the big convention will be used to hold nine regional meetings during the year at strategic points.

This change in convention arrangements is being made because the company believes that under the one big convention set-up the agents who should get the stimulation and inspiration provided by such a gathering are unable to attend. After this, the general agent will be permitted to bring any agents he cares to to the regional meeting regardless of production up to a stipulated limit of expense. This will permit the attendance of the low bracket producers who may be helped to a higher volume by what they learn at the regional meetings.

In Line with Company Program

This is in line with the Minnesota Mutual's program of giving closer and more personal attention to the average agent. The company is committed to a plan of having general agents who are capable above all else of building a staff of producers. Two years ago, the Minnesota Mutual had 112 general agents. Today it has 46 who are producing more business than the 112 were able to get. The former general agents, who were really no more than good personal producers and not agency builders, are now district agents.

The change has reduced operating costs, but what is more important, it has permitted the agency department to concentrate its efforts on the general agencies it knows are capable of creating a force of self sustaining agents. In this way the company is building man power through a comparatively small group of general agents who have demonstrated that they have a special talent for agency development. With the Minnesota Mutual there are no longer any good personal producers getting general agents commissions for personal production only and who are indifferent to or incapable of agency building.

"Home Folks" Atmosphere

An outsider at a Minnesota Mutual convention is impressed with the intimate, "home folks" atmosphere. There is no stiffness or formality. Harold J. Cummings, vice-president and superintendent of agencies calls them all by their first names—officers, general agents, agents, and their wives and children. President Phillips is "Phil." Vice-president and general counsel E. A. Roberts is "Bob," and so on down the line. Other speakers, taking their cue from Mr. Cummings, do likewise.

But it is at least mildly astonishing to hear Mr. Cummings rattle off the first names of wives and children. He never misses either on the name or number. He never has to refer to notes.

Minnesota Mutual Highlights

A. O. Eliason, Keys to City, Annual Dinner Are Features at San Antonio Convention

A welcome member of the convention group was A. O. Eliason, formerly general agent St. Paul, who retired several years ago because of ill health. In the early 1920's, Mr. Eliason was responsible for nearly half of the Minnesota Mutual's annual production. In 1923 he was president National Association of Life Underwriters. He and Mrs. Eliason will stay in San Antonio for the remainder of the winter.

John Boyle of Boyle & Boyle, Chicago, was unable to attend. His health has been impaired for over a year, but he will return to his office in about two months. Mrs. Boyle made the trip. She is well known and popular with Minnesota Mutual conventioners.

A police escort, with sirens blaring, conducted the convention party from the train to the hotel. This early morning commotion somewhat startled the citizens in the "cradle of Texas liberty."

Alan D. ("Al") Harmer, agency secretary, who usually attends to convention details en route, was delayed in St. Paul by an attack of influenza. He arrived in San Antonio by airplane in time for the second business session.

D. O. Johnson, general agent San Antonio, had charge of entertainment arrangements. He was warmly commended for doing a painstaking and thorough job.

Skj jackets made to measure were distributed to all in attendance and worn throughout the convention.

A convention photograph was taken on the first day.

Vice-President E. A. Roberts announced that Minnesota Mutual has \$50,000,000 in force in Texas, \$5,000,000 in San Antonio the convention city.

C. K. Quin, mayor San Antonio, presented a key of the city to Mrs. Phillips.

He knows them, not from memory but personal encounter. He thinks and speaks of a general agent's wife and children as naturally as he does of the general agent himself. It is clear that to him there is no such thing as a general agent apart from his family. He thinks of his general agents in terms of a family unit.

at the opening session, and Arthur Blard, secretary of the Municipal Advertising Commission welcomed the conventioners.

Among the prominent San Antonio guests at President Phillips' dinner were O. P. Schnabel, general agent Jefferson Standard, and W. P. Napier, president San Antonio Chamber of Commerce and Alamo National Bank.

At the annual dinner, President Phillips presented diplomas to the "President's Dozen," the 12 largest producers of annual premiums. They were Mrs. G. A. Ralls, Houston; R. V. Wain, Cheyenne; C. L. Hoon, Denver; R. E. Palmer, Phoenix; E. M. Moore, Los Angeles; L. C. Furniss, Grand Rapids; R. H. Pearson, Ft. Worth; T. D. Carnahan, Des Moines; D. O. Johnson, San Antonio; W. J. Bateman, Tarboro, N. C.; N. F. Winter, H. B. Victor, St. Paul.

Dr. P. B. Hill, captain Texas Rangers, gave a history of that colorful organization at the annual dinner, and presented the home office officials with genuine Texas Ranger belts.

The annual dinner honoring President T. A. Phillips was spectacular, fast moving and crowded with surprises. President Phillips and Vice-President Cummings staged an exhibition game of Spanish ping pong. Live animals (goats, pigs, mules, etc.) were distributed to the official family who were photographed with them. In one way or another the officers were induced to sit on the "hot seat" containing a charge of electricity. Mrs. P. A. Diehl, San Antonio, presented the six flags of Texas to Mrs. Phillips. A floor show and dancing brought the big entertainment to a close.

Sam R. Weems, Minnesota Mutual veteran who opened Texas for the company nearly 20 years ago, distributed a large quantity of grapefruit from his ranch at Weslaco, Tex., to his convention friends.

On the final afternoon in San Antonio, there was a sightseeing tour of the city ending with a chuck wagon dinner at Breckenridge Park.

R. H. Pearson, Ft. Worth, convention president, went with the Minnesota Mutual in 1929. Since then he has put \$5,000,000 on the books in Ft. Worth, has been the convention president for three successive years, and has produced an applicator a week for nearly nine years.

Phillips Outlines Obstacles Confronting Life Companies

Predicts Higher Taxes, Acquisition Cost Increase, Lower Interest Income

A thought provoking outline of the obstacles confronting the life companies today and of the opinion that the "man in the street" has of the business was given by President T. A. Phillips of the Minnesota Mutual at the company's agency convention in San Antonio, Tex., last week. Mr. Phillips prepares his public utterances carefully, and what he has to say is always well considered and thoroughly studied.

Life companies are going to pay more and additional taxes during the years just ahead, Mr. Phillips predicted, and nearly all of the costs of conducting the business will increase. In addition, so far as can be seen, the interest income is going to be lower for some time. These factors in themselves constitute problems not easy of solution, but as if they were not enough, it is now becoming evident that the federal monopoly investigation may produce some mud slinging, even though it is supposed to be an inquiry into the ways in which life insurance investments affect the capital market.

Up to Men in Field

One question to be raised may be the high lapse ratio which has a direct bearing on policy costs; another the price paid to put business on the books. Regarding lapses, Mr. Phillips said that no real improvement can be made except by the men in the field, and that a change for the better will come when any field man wants to see any policy in any company kept in force. In reference to acquisition cost, Mr. Phillips remarked that the agent is not being paid too much for the case that he writes, but is being paid too much for the case that he lapses.

Reserves Opinion on Some Companies

From a study of the various surveys of life insurance that have been made, Mr. Phillips said, it is obvious that the public has an almost overwhelming belief in life insurance as an institution, but reserves opinion on some companies. About 70 percent of the people own a policy of some kind, but around 40 percent carry less than \$1,000. Some favor government insurance and others government regulation. There is too large a proportion of those having this attitude and not enough who understand the word mutual and the cooperative nature of the business, Mr. Phillips said.

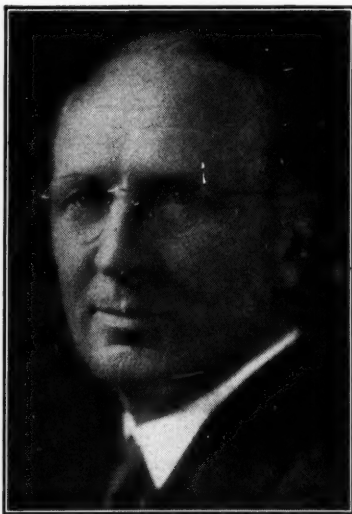
Give Public Better Understanding

As a consequence of the investigation now in progress in Washington the companies may, in the very near future, have to give the public a better understanding and appreciation of the agency system. Mr. Phillips observed that too many people feel that the agent gets too much for his services; that he is not an aid to the buyer; that the agent is in business primarily for what he can get out of it, and that he is, in fact, unnecessary to the conduct of the business. Before too much time passes, Mr. Phillips said, the public must be made to understand the real part that the agent plays in the life insurance scheme.

These are the perplexing and even discouraging obstacles confronting the business, but Mr. Phillips gave as his opinion that they can be surmounted.

(CONTINUED ON PAGE 26)

They Know Their Agents



T. A. PHILLIPS



H. J. CUMMINGS

Much of the "homefolk" atmosphere of Minnesota Mutual gettogethers is due to the efforts of President T. A. Phillips and Vice-president H. J. Cummings, who

have made it a point through the years to become exceptionally well acquainted with not only the agents but also their families.

The OLD LINE LIFE Insurance Company of America

MILWAUKEE • WISCONSIN

Financial Statement AS REPORTED TO THE INSURANCE DEPARTMENTS OF THE STATES IN WHICH WE OPERATE DECEMBER 31, 1938

Assets		Liabilities	
Cash	\$ 371,466.08	Policy Reserves	\$18,299,022.70
Bonds—		Death and Disability Reserves Payable in Installments	760,136.65
U. S. Government	\$1,377,595.13	Accident and Health Premium Reserves	42,907.82
Canadian Provinces and Cities	555,095.29	Taxes and other Governmental Fees due in 1939	112,734.04
States, Counties and other Municipalities ..	2,103,500.42	Death and other Policy Claims Pending	72,560.94
Public Utilities	1,386,414.25	Premium and other payments made in advance of due dates	198,929.43
Railroad Equipment and Underlying	293,756.86	Other unclassified items of Liabilities	23,481.84
Institutional	200,397.96	Reserves for Fluctuation in Assets and General Contingencies	479,060.16
First Mortgages—		Unassigned Surplus	728,959.38
City	\$6,925,543.49	Capital Stock	1,000,000.00
Farm	447,226.68	TOTAL	\$21,717,792.96
Collateral Loans	351,500.00		
Loans to Policyowners	2,650,107.19		
Contracts for Deed and Unencumbered Real Estate	4,573,162.11		
Premiums Due and Deferred	295,139.88		
Interest Due and Accrued and other items	186,887.62		
TOTAL ADMITTED ASSETS	\$21,717,792.96		

Interesting Facts

● Diversification of Assets

29% in Cash and Bonds, the latter having a market value of \$6,049,216.97.
34% in Mortgages in improved City and Farm properties.
1½% in Collateral Loans secured by qualified first mortgages.
12% in Loans to Policyowners. Although Reserves increased \$953,327.28 during the year, loans to Policyowners increased only \$14,886.00.
21% in Contracts for Deed and Unencumbered Real Estate. The gross rents and interest on these properties was in excess of 6% for the year.

The improvements on these properties are depreciated each year. The total depreciation since acquired amounts to \$353,446.38.

● **Admitted Assets** increased \$1,167,938.67 as compared to \$1,067,302.52 in 1937. They exceeded Policy Reserves and other Liabilities by \$2,208,019.54, which is equal to \$1.10 of Admitted Assets for each \$1.00 of Policyowners' Reserves and Current Liabilities.

● **Life Insurance in force** showed a net gain for the year of \$771,955.00.

● **Accident and Health Premiums** for 1938 exceeded those of 1937 by more than 19%.

LIFE INSURANCE IN FORCE, DECEMBER 31, 1938 \$78,502,216.00

Payments to Life, Accident and Health Policyowners and Beneficiaries for the year totaled \$1,435,687.00, and since organization \$20,945,371.00.

LIFE • ACCIDENT • HEALTH

LIFE SALES RECORDS

Bankers Life, Ia.—Its new business issued last year was \$59,635,484 and insurance in force is now \$752,119,649.

Security Mutual Life, Binghamton, N. Y.—January paid business increased 39 percent. December surpassed all months for the past eight years.

Indianapolis Life—January, 1939, exceeded January, 1938, by 24.8 percent. Every state in which the company operates, but one, showed increase. Indiana, Texas, Illinois, Ohio and Michigan led for the month. A two-day agency convention was held at the home office with leading agents from Indiana, Illinois, Ohio, Iowa, Michigan and Minnesota, A. H. Kahler being in charge of sessions and home office officials speaking. New sales and service plans were presented.

Sun Life, Canada—Five United States agents led the entire world agency force of the Sun Life of Canada during January: Ernest Pomerantz, Philadelphia; Ray H. Kotte, Cincinnati; H. A. Satterwhite, Pittsburgh; C. J. Murphy, Chicago; Cassie Cohen, Des Moines. Mrs. E. H. Edmiston, Denver, was leading woman producer. The western U. S. division showed a gain of 40 per-

cent in January and Minnesota led the branches with a 236 percent increase.

Union Central January with \$11,393,099 paid for business topped all January records in eight years, with the exception of 1935. There was a net gain of \$2,000,000 business in force. The C. B. Knight agency, New York, led with 314 new cases for \$2,778,807, followed by Mark S. Trueblood, Los Angeles, 33 cases for \$555,736, and Jull C. Benson, Cincinnati, 87 cases for \$509,270. Business was 84 percent ahead of 1938.

Ohio State Life paid production in January gained 88.8 percent. Insurance in force increased to more than \$96,000,000.

Equitable Life, Ia.—January paid-for business totaled \$5,648,253, or 45.8 percent more than January, 1938; largest January business since 1930 and fourth successive monthly gain.

E. A. Woods Co., general agent Equitable Society, Pittsburgh—President W. M. Duff headed the honor roll of the agency in January with 12 paid cases and volume in excess of \$186,000, leading the field of 375 agents. He was the first member to qualify for one of the Equita-

ble's 1939 clubs, becoming a member of the \$100,000.

Atlantic Agency of Atlantic Life, headed by A. O. Swink, reports paid business in January approximately 50 percent ahead of January last year and about on a par with December, 1938.

Stuart F. Smith, Connecticut General Life, Philadelphia—January premiums \$200,000, half of the volume for all of 1938.

Arthur P. Shugg, Aetna Life, St. Louis general agent—Paid life business in January showed a 143 percent increase. Number of cases and written volume were largest in the history of the agency for that month. As of Feb. 11 paid life business has already equalled the business paid in February, 1938.

H. G. Swanson, general agent New England Mutual, Chicago, Agency paid for \$1,550,000 in January, taking second place countrywide in the company.

J. G. MacConnell, general agent Home Life of New York, Los Angeles, recorded paid business in January, with 300 percent increase over January, 1938. Average policy in 1938 was \$4,970.

C. Vernon Bowes, Rochester, N. Y., New England Mutual Life—paid showed 35 percent gain in 1938. Single premium annuity sales increased 230 percent and annual premium annuity 700 percent.

Harry Weingarden, manager of the Northern Life of London, Ont., in Detroit, led the field on basis of settled business in 1938.

STOCKS

H. W. Cornelius of Bacon, Whipple & Co., 135 South La Salle street, Chicago, gave the following stock quotations for life companies as of Feb. 14, 1939:

	Par	Div.*	Bid	Asked
Aetna Life	10	1.35	28	30
Cent. States Life	10	...	9	12
Columb. Nat. L.	100	...	2 1/2	3 1/2
Conn. General	10	...	68	73
Contl. Assurance	10	2.00	26	28
Federal Life	10	...	38	40
Great Southn. L.	10	1.30	4 1/2	5 1/2
Kan. City Life	100	16.00	21	23
Life & Cas.	3	.50	12	14
Lincoln Natl.	10	1.20	25 1/2	27 1/2
New World Life	10	.40	5 1/4	6 1/4
No. Amer. Life	10	...	2 3/4	3
N. W. National	5	.30	12	13
Ohio National	10	1.25	25	27
Old Line Life	10	.60	10	12
Philadel. Life	10	...	2	3
Sun Life, Can.	100	15.00	430	450
Travelers	100	16.00	447	454
Union Cent. Life	20	1.20	25	30
Wis. National	10	1.00	15	17

*Includes extras.

Closing Starts When Agent First Sees Prospect

CINCINNATI—"Closing," said Milton Sherman, general agent Connecticut Mutual, Buffalo, speaking at a meeting of the Cincinnati Life Underwriters Association, "starts when the agent first sees his prospect." Mr. Sherman declared that he had eliminated all closing terminology from his vocabulary. He said that he gave the prospect "all I've got." The time to close is when "you see the man swallow his Adam's apple." Prospects may speak differently, but they all hear alike, therefore Mr. Sherman believes in standardizing what he has to say.

L. D. Fowler, Cincinnati general agent Connecticut Mutual, introduced Mr. Sherman.

Scott Anderson, service manager of the Equitable Life of Iowa, was the main speaker at a meeting in Mt. Pleasant, Ia., honoring Newell C. Day, general agent there, on completion of 20 years service.

NEWS OF WEEK

R. B. Mitchell, associate editor of The National Underwriter at its New York office, writes first hand observations of the SEC life insurance investigation. **Page 1**

* * *

Plans are rapidly nearing completion for the mid-year meeting of the National Association of Life Underwriters in Louisville March 31-April 1. **Page 1**

* * *

R. E. Irish elected president of Union Mutual Life and W. B. Drummond chairman of board. **Page 1**

* * *

Charles R. Fischer, former Onawa, Ia., insurance man and banker, named Iowa insurance commissioner, succeeding M. V. Pew, to serve short term to July 1. With likelihood of reappointment there for full term. **Page 3**

* * *

Roy L. Davis, assistant Illinois insurance director, tells about the magnitude of insurance operations in the state. **Page 28**

* * *

American Life Convention announces personnel of its standing committees for the year. **Page 4**

* * *

Victor B. Harris, who has been assistant superintendent in charge of Canadian agencies of the Sun Life, becomes superintendent of agencies in central U. S. division. **Page 15**

* * *

T. A. Phillips, Minnesota Mutual, predicts higher taxes, greater acquisition costs, lower interest income for life companies. **Page 6**

* * *

San Antonio conclave is last big round-up as Minnesota Mutual adopts regional plan for future conventions. **Page 6**



32ND ANNUAL REPORT

INSURANCE IN FORCE INCREASED TO

\$110,531,429

LARGEST VOLUME IN THE COMPANY'S HISTORY!

★★ Highlights of PROGRESS Made in 1938 Over 1937

★ First Year Premiums	14.3% GAIN	★ Total Paid Policyholders and Beneficiaries	16.7% GAIN
★ Renewal Premiums	6.3% GAIN	★ Total Assets	7.7% GAIN
★ Total Premiums	7.5% GAIN	★ Legal Reserves	9.0% GAIN
★ Interest Income	12.1% GAIN	★ Total Surplus	32.6% GAIN
★ Total Income	8.0% GAIN	★ Insurance in Force	1.6% GAIN

Interest Now in What SEC Proposes

(CONTINUED FROM PAGE 1)

ment agencies which were to make the studies and present them to the committee. Congress, via its monopoly committee members, has had a chance to appraise the job done by the government departments and is in a position to clamp down on anything that it thinks is degenerating into a witch hunt.

There is some talk of holding additional hearings on life insurance in a month or so, even before there is time to collect answers to the recent extensive investment questionnaire.

The only bit of sensationalism was testimony by a dozen Metropolitan agents, all or most of them CIO malcontents, that had "forged" policyholders' names in biennial elections of directors. The SEC may have cause to regret this dramatic move, however, as the enraged protests of thousands of Metropolitan agents denying all knowledge of the practice brought out into the open that the august SEC, with its regulatory, quasi-judicial powers, had linked itself with the CIO or at least permitted itself to be used in the CIO's aim of doing all in its power to discredit the Metropolitan.

Fidelity Testimony Barred

Following an executive session to consider the question, Vice-chairman Summers announced that the committee had decided against hearing representatives of 1,800 members of the Employees Fidelity Association, who denied all knowledge or practice of ballot forgery. While refusing to hear S. I. Roth, head of the E. F. O., or accept a statement from him for the record, Summers said that the committee was taking official cognizance of the fact that 1,800 agents comprising the E. F. O. had volunteered to testify under oath that they did not practice or know of ballot forgery and that the same recognition applied to other Metropolitan agents not affiliated with the E. F. O. (which operates only in the New York area) who had protested against vote-forgery implications.

Summers said the ballot forgery testimony had been given "a distorted emphasis and significance"; that the SEC had told the committee that "evidence as to some false ballots" was present merely as "illuminating the character of the election machinery," that the SEC stated further that the evidence was introduced "not to show that the practice was widespread but simply and solely for the purpose of showing some aspects of the procedure of elections."

Contradiction Is Found

While it is true that Examiner Gerhard Gesell specifically denied any implication of criminal intent, yet the obvious emphasis was on the wide spread of the practice, nothing whatever being brought out to indicate that while it might prevail in some localities there might be others where it was unknown. The SEC's statement to the committee that its aim was "simply and solely" to show "some aspects of the procedure of elections" contrasts sharply with Gesell's earlier attitude and all the general indications that the SEC was prepared to parade witnesses indefinitely who would testify to the prevalence of election irregularities.

Makes Valuable Point

T. A. Buckner, chairman of New York Life, was the principal witness Wednesday morning. Like Chairman Ecker of the Metropolitan last week, he made an outstanding witness for his company and the entire life insurance business. Asked by Gesell whether increase in size did not perhaps mean higher insurance costs for policyholders already in the company, Mr. Buckner pointed out that acquisition of new business does not affect the insurance costs of policyholders already on the books.

Gesell seemed surprised at this and Mr. Buckner's readiness to furnish figures in support of his statement.

Mr. Buckner also made a valuable point against the general implications of Gesell that if it could be shown that expenses have increased as companies have grown, it would be an argument against greater size. Mr. Buckner pointed out that conditions of the last 10 years in the investment field and elsewhere have been so disturbed that no such inference could be validly drawn.

The other witness Wednesday morning was Mitchell Follansbee, Chicago lawyer, a director of the Metropolitan. Gesell brought out that Mr. Follansbee's

law firm has represented the Metropolitan while he was a director, at the same time making it clear that the SEC alleged no breach of law or company policy nor did it question the reasonableness of Mr. Follansbee's legal fees.

Discloses SEC Proposal

Not until the close of the first week's hearings did the SEC give any hint of what it will propose when all the smoke has cleared away—of what it would say if the companies collectively were to say, "All right, suppose we were to say that everything you are trying to prove is true. What do you want done about it?"

To reporters after the adjournment

announcement Friday, Chairman Douglas of the SEC told what the SEC would propose. After stating with much emphasis that the testimony about the "forged" ballots in the Metropolitan Life biennial election of directors was absolutely no reflection on the financial condition of the company, the integrity of the legal reserve system or on the quality of management, but merely on the type of election machinery, he said that the purpose of introducing the testimony was so that ways and means could be worked out "for improving this concept of mutuality in actual practice," and that the committee expected to be able to give the Temporary National Economic



SEVENTY-SIXTH ANNUAL STATEMENT AS OF DECEMBER 31, 1938

Insurance in Force	\$4,175,557,199.00
Admitted Assets	920,507,589.11
Liabilities (or assets definitely pledged in contractual obligations)	839,497,228.26
<i>Including: The legal reserve on policies in force \$761,541,356.00</i>	
<i>Dividends to policyholders payable in 1939 19,567,271.14</i>	
Contingency Reserve held for asset fluctuation	\$25,000,000.00
General Surplus	56,010,360.85
Total Surplus Resources	\$81,010,360.85

SUMMARY OF ASSETS

Bonds	\$491,969,850.29
Stocks (all at market value, December 31, 1938)	21,127,240.35
Mortgages on Real Estate	163,724,550.83
Loans on Company's Policies	91,785,173.94
All other Assets	151,900,773.70
Total Assets	\$920,507,589.11

A copy of the complete Annual Statement will be sent on request

In 1938 there was an increase in insurance in force; in assets; and in surplus funds.

Dividends to policyholders for 1939 are maintained on the same scale as for 1937 and 1938; and the amount to be paid is \$19,567,271, an increase of \$1,163,482 over the amount set aside for last year. The surplus is 9.65% of the liabilities it protects.

Total payments to policyholders for the year 1938 equalled \$92,791,267, an average of \$308,277 for every business day.

Payments to policyholders since the organization of the company, plus reserves now held for the fulfillment of their several contracts, aggregate \$2,177,390,680.

GUY W. COX, President.

This Company offers all approved forms of life insurance in large or small amounts, including group coverage; also annuities for individuals and pension and retirement plans for corporations and educational institutions.

Committee "some concrete suggestions for improving the quality of the election machinery on the constructive side."

In response to a query Douglas said that the testimony might "very well be a reflection on existing laws covering elections." Summing up the testimony, Douglas said that it had been brought out that there is no such thing as competition in the election; that as far as elections are concerned, mutuality is a "sheer myth" in the Metropolitan, and later testimony would present some elements of similarity in other companies and some elements of contrast; that since in terms of actual practice there can be no rival slate, "the truth is that ballot gathering takes place after the election is held and that its purpose is mere window-dressing for the self-perpetuation" of the existing management; that "agents, who knew how useless these ballots were, developed a custom of signing for each other;" that "evidence shows that the election is a mockery of true mutuality and knocks into a cocked hat the argument that it is anything more than that."

Interest in Proposals

While Douglas's intimation of what sort of "concrete suggestions" are of outstanding interest to the life insurance business, daily papers and the press as-

sociations appear to have passed over it entirely. Even the extensive coverage of the New York "Times" though quoting nearly everything else that Douglas said, as well as the Metropolitan's full statement denying the spread of the alleged practice and offering witnesses to prove it, failed to mention Douglas's proposal for improving the situation.

Interest in What SEC Is Up To

Life people are tremendously interested in what the SEC is up to. Obviously it is not going to conclude its case by merely muttering sadly that size has its problems. Is it going to ask that supervision over policyholder elections be placed in its hands? Does it have the idea that it would be desirable to give an election of directors by policyholders all the attributes of a presidential election, complete with torchlight parades, sound trucks, and coast-to-coast radio hook-ups with speeches by rival candidates denouncing the other side as incompetents fit only to squander the policyholder's hard-earned money?

Perhaps by the time all the testimony is in it will have dawned on the SEC that there is an element of safety in making it hard for a rival group to organize and set up an anti-administration slate, that the law is not for the purpose of giving the management a free hand but

to prevent self-seeking disturbers from getting a strategic position with a handful of proxies.

The SEC's stress on investment problems and particularly the content of the latest questionnaire, which is extremely searching on investments, particularly mortgages and real estate non-government bonds, indicate that the SEC is concerned less with the effect of life insurance's \$27,000,000,000 of assets on the national economy than with effect of size and other factors inherent in the present life insurance set-up on the investments managed by the companies on behalf of the policyholders.

C. I. O. UNION PLAN

Agents Who Were Militant in Advancing Forgery Testimony Radicals

This shift in emphasis is best known by the 112-page questionnaire on investments, which went to 26 of the largest companies the week before hearings started and was not intended to be answered in time for use in the current hearings. Life men who have looked over the questionnaire and are familiar with the background of those in the

SEC insurance examination feel that Earl Wightman, former comptroller of the Lincoln National Life and now consultant to the SEC, is the master mind behind the new questionnaire.

The questionnaire shows a thorough knowledge of life company procedure and a deft hand at probing, particularly in delving into the matter of real estate which has been taken over as a result of foreclosures, also in connection with bonds where the amortized values at which these securities are carried on the books are in some cases widely different from actual market values, even though the bonds fulfill all qualifications for the amortized status.

C. I. O. Injects Itself

Developments of the first week included the C. I. O. union's declaring its interest in the testimony on the "forgery" of ballots in the biennial policyholder election of directors. No one could escape observing that the agents who confessed with such obvious relish in embarrassing the Metropolitan were from localities where the C. I. O. industrial agents' union has its strongholds.

Lewis Merrill, general president United Office and Professional Workers, of which the industrial agents' union is a part, was on hand to hear the testimony. One of his aides passed out a statement denouncing the Metropolitan for "managerial pressure put upon agents to obtain signatures" to the ballots.

E. F. O. Hits Changes

News of the "forgeries" led delegates of the Employees Fidelity Organization, an association of Metropolitan agents in the New York City area, to demand a chance to appear before the monopoly committee and refute the testimony that the signing of policyholders names to ballots was general. The E. F. O. numbers about 1,800. President S. I. Roth of the E. F. O. in his wire to Chairman O'Mahoney attacked Merrill's statement and protested against the committee's allowing Merrill to inject himself in a phase which has no connection with a monopoly investigation. He said it was a clearcut attempt of a union to use the United States government to advance its own interests.

Peter Callahan, a vice-president of the E. F. O., urged that the delegates go to Washington to present their side of the case to the committee. The SEC and the monopoly committee, however, appeared determined to avoid being led off the main track of the investigation and seemed anxious to keep clear of getting involved in any labor disputes.

Hears E. F. O. Plea

In spite of the committee's desire to avoid getting in the way of the brickbats aimed by the rival unions at each other, Representative Hatton Sumners of Texas, presiding in Chairman O'Mahoney's absence when the committee reconvened this week, listened to Mr. Roth's plea that the E. F. O. be heard and said that the committee would go into executive session after adjournment for the day and would decide whether to hear the E. F. O. or not.

Sumners, though cutting off Mr. Roth as he was attempting to state his position more fully, said that he wanted to be fair but that the question of hearing the E. F. O. could not be decided except by the committee in executive session. Sumners said he appreciated that the delegation of more than 100 agents representing the E. F. O.'s 1,800 members had come all the way from New York City but that if the committee decided to hear the organization's plea it would let Mr. Roth appear as its representative.

Impressive Showing

The E. F. O. made an impressive showing as its members rose during Mr. Roth's plea. At first Sumners seemed annoyed at Mr. Roth for presenting his request to be heard in what was regarded as somewhat irregular fashion. However, he quickly showed that he appreciated the situation and ex-

1887



FINANCIAL STATEMENT

1939



JANUARY FIRST, 1939

\$59,051,412.73

PAID ON POLICIES SINCE 1887

ASSETS

First Mortgage Farm Loans, including Tax Sale Certificates	\$ 6,955,583.21
Cash in Office and Banks	851,770.33
Cash Loans on Company Policies	8,201,885.17
Bonds, Amortized Value (Less Than Market Value 12-31-38)	14,230,623.27
Real Estate (Including Home Office)	9,470,877.32
Real Estate under Contract of Sale	226,319.82
Interest Accrued (Less items not admitted)	409,336.82
Deferred and Unreported Premiums	437,679.33
Due from Reinsurance	216.84
Furniture and Fixtures Account	None
Collateral Loans	None
Premium Notes	None
Stocks	None
Other Assets	None
Assets, December 31, 1938	\$40,784,292.11

LIABILITIES

Reserve (Full Net Level Premium)	\$29,182,933.27
Death Claims Reported, Proofs not completed	30,261.00
Reserve for Unreported Death Claims	25,000.00
Premiums Paid in Advance	38,280.17
Interest and Rents Paid in Advance	121,458.26
Suspense Accounts	38,001.35
Dividends and Installments Left with Company and Interest Thereon	290,312.47
Reserve for Taxes	300,000.00
Reserve for Salaries, Medical Fees, etc.	12,241.43
Contingency Reserve for Participating Business Written Since January 1, 1915	1,862,610.25
Reserve for Policy Dividends (Apportioned and Unapportioned)	4,799,484.75
Capital Stock	500,000.00
Surplus	3,583,709.16
Total	\$40,784,292.11

RECORD OF NINETEEN HUNDRED THIRTY-EIGHT

Death Claims Paid	\$ 746,382.39
Total Paid Policyholders	3,423,893.70
Cash Payments to Living Policyholders	2,677,511.31
Percentage of Death Losses Paid to Mean Insurance	.604
Percentage of Lapse and Surrender to Mean Insurance	.836
Average Percentage of Actual to Expected Mortality for 20 Years, December 31, 1919, to December 31, 1938, Inclusive	38.53

Bankers Life
INSURANCE COMPANY of **Nebraska**

plained that though the committee wished to be courteous, yet the request was necessarily one which could be decided upon only in an executive session.

However, regardless of the committee's action in refusing an immediate hearing, Mr. Roth made his point in the matter of newspaper publicity. Not only was his coming forward at the close of the morning session dramatically well timed, but the 100 E. F. O. delegates rising from their seats in the spectators' section demonstrated effectively that there are still plenty of agents who don't take lightly an accusation that they are in the habit of signing other people's names to pieces of paper, even though no financial loss or gain is involved.

POLITICAL BLUNDER?

Rank and File of Industrial Agents Are Said to Resent Implication That Forgery Is General

WASHINGTON — Introduction of agents' testimony aimed at proving that "forgery" of ballots by agents of policyholders' names in biennial elections of the Metropolitan Life is a common practice may well turn out to have been a serious political blunder. A terrific amount of resentment has been aroused among the thousands of Metropolitan and other industrial agents who don't take lightly the signing of another person's name, even in an uncontested election. They are outraged at being classed with those agents who admit having done it and at the SEC's distinct implication that the practice is widespread.

Potent in Local Politics

The political dynamite which the New Deal seems to have exploded in its own hip pocket is the gratuitous antagonizing of thousands of men, widely distributed throughout the country, who are extremely potent, as a rule, in local politics. While home offices steer clear of using their policyholders or their agents in a political way, the forces that have been loosed by the SEC's sweeping indictment of industrial agents in the mass is beyond the control of home office executives.

Active in Both Parties

Industrial agents are, generally speaking, among the most active political workers in their respective communities. Distributed among party organizations in both the Democratic and Republican camps, they are so numerous that they are in a position to make their votes felt.

Not only do they feel a keen personal resentment at being lumped in with men who admit wholesale "forgeries" and who think nothing of signing other people's names but they recognize the business value of a reputation for integrity, for being the type of person who would look with as much distaste on irregularities in ballot-signing as would any member of the monopoly committee.

SEC Used by CIO

The impression is that the Securities & Exchange Commission, through over-eagerness to utilize evidence supporting its contention that mutuality is a farce, has let itself be used by the CIO industrial agents' union in the latter's effort to advance itself by putting the industrial companies in a hole. Apparently what happened was that the CIO people managed to convince the SEC that "forgery" of ballots is practically universal wherever agents are given the job of getting ballots signed.

That the SEC was misled rather than making a deliberate attempt to distort may be inferred from its failure to call any witnesses from territory outside the acknowledged strongholds of the CIO industrial agents' union. It would obviously have been much more convincing to have called agents from widely separated sections of the country instead. Of the 12 who testified to having "forged" ballots or seen others do so, two were from the Boston area, five

from the New York metropolitan area, and five from Philadelphia. Two of the Philadelphia agents were from the same district office.

It was brought out that large percentages of the debits of the agents testifying were persons of foreign birth, many of whom could not read or write English, a fact which in itself should have served to make the SEC suspect that the conditions being described were far from typical. Then, too, the agents testified that their policyholders were either not interested in the election, failed to understand what it was all about, or were so suspicious about signing their names, particularly those who understand Eng-

lish poorly or not at all, that they refused flatly to sign the ballots offered to them.

While the SEC has repeatedly made it clear that it alleges no culpability in connection with its charges of ballot-forgery, industrial agents generally have not looked upon the accusations with any such complacent, boys-will-be-boys attitude. In places where there are strong non-CIO industrial men's unions, notably New York City with its Employes' Fidelity Organization and Washington, D. C., where the National Association of Industrial Insurance Agents is a power, there have been militant protest and blasts against the agents who

testified to the prevalence of ballot irregularities.

Samuel I. Roth, head of the E. F. O., showed up with 100 agents representing the organization's 1,800 members, when the committee reopened its hearings this week. Monday night the Washington "Star" carried a story on an interview with representatives of 500 industrial agents in Washington who denied that ballot forging went on.

In other cities and communities where industrial agents are less thoroughly organized, resentment is less articulate, but just as intense.

Congressman Carroll Reece of Tennessee representing the eastern part of

33rd Annual Statement

THE OHIO STATE LIFE INSURANCE COMPANY

COLUMBUS, OHIO

Financial Condition, December 31st, 1938

OUR RESOURCES

Bonds	\$ 6,412,678.00
Cash on Hand	663,277.39
First Mortgage Loans	7,118,819.30
Real Estate Sold on Land Contract	282,606.11
Other Real Estate (including Home Office)	1,870,220.21
Loans to Policyholders	2,935,467.89
Premium Notes	63,068.58
Accrued Interest (None past due)	112,785.36
Premiums in Course of Collection	373,022.63
Total Resources	\$19,831,945.47

OUR LIABILITIES

Policy Reserves	\$16,974,257.40
Death Claims Due and Unpaid	None
Claims Awaiting Completion	61,862.68
Premiums and Interest Paid in Advance	265,774.51
Dividends to Credit of Policyholders	383,369.37
Dividends to Policyholders for 1939	135,000.00
Reserves for Taxes Payable in 1939	58,800.00
Miscellaneous Liabilities	23,985.29
Total Liabilities	\$17,903,049.25

EXCESS PROTECTION TO POLICYHOLDERS

Capital Stock	\$ 500,000.00
Contingency Funds	328,896.22
Surplus	1,100,000.00
Total	\$19,831,945.47

Insurance in Force, Assets, Surplus and Income Greatest In the Company's History

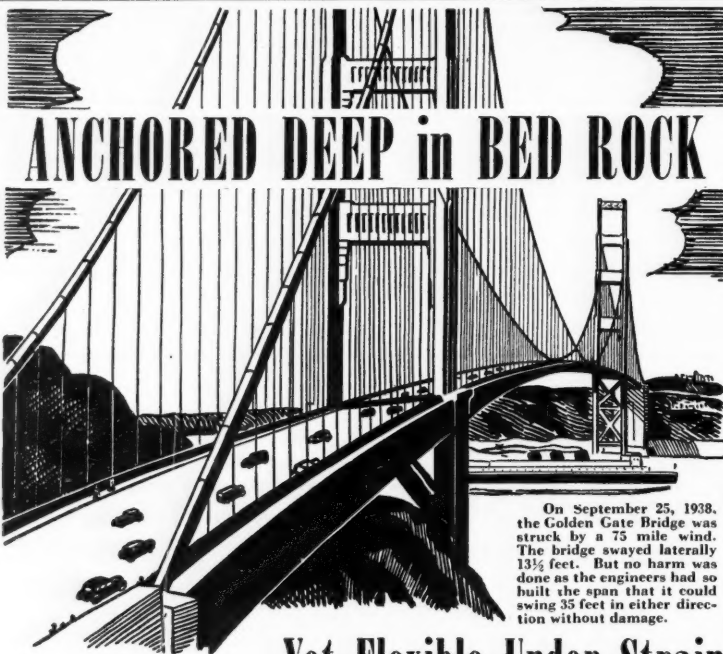
The Quality of the Assets and Their Ratio to Liabilities Make This One of the Outstanding Life Insurance Companies Upon Any Basis of Comparison

CLARIS ADAMS
President

FRANK L. BARNES
Agency Vice President

JOSEPH K. BYE
Secretary

LIFE — HEALTH — ACCIDENT INSURANCE



LIKE San Francisco's famed Golden Gate Bridge whose piers go deep below the surface into bed rock, NWNL has its foundations safely anchored in the sound, conservative principles of management which govern every phase of the Company's operations. As its depression record demonstrated, NWNL also is built to meet any emergency—to absorb financial shock or strain. — Consider, for example, these typical *extra* margins of **SECURITY** which NWNL gives its policyholders:

★ For a number of years the reserves on new business have been augmented by setting aside in Contingency Reserves—as a surplus item and, in a test of solvency, not a liability—an amount equal to the difference between a 3 per cent reserve and the 3½ per cent reserve on which the Company's policies are issued. More than 50 per cent of the Company's business was thus protected by a 3 per cent reserve at the year's close.

★ Rather than take credit for any asset about which there is any question, the Company's surplus funds and voluntary contingency reserves of \$5,265,319 have been placed on an unusually conservative basis by reducing to actual market values, through an appropriate asset fluctuation reserve, bonds on which market prices suggest possible losses, even though these bonds are eligible for amortization, have high credit ratings, and are in no way in default.

★ The statement still holds, as it has for many years past, that if on December 31, 1938, the impossible had happened and every policyholder and beneficiary had come and demanded from the Company all the cash to his credit—guaranteed cash or loan values, dividends and policy proceeds left with the Company, premiums paid in advance, etc.—the Company's bonds, sold at market prices on that date, alone would have been more than sufficient to have paid all such demands in full, leaving many millions in other sound assets untouched.

SECURITY for policyholders is NWNL's first and foremost consideration.

**NORTHWESTERN NATIONAL
LIFE INSURANCE COMPANY**

O. J. ARNOLD, President

STRONG ~ Minneapolis, Minn. ~ LIBERAL

the state, who is a member of the congressional inquisitorial committee, was brought to mind to insurance men inasmuch as he is a brother of J. I. Reece, former Tennessee insurance commissioner.

Those on hand from Metropolitan included Vice-president J. L. Madden, H. R. Bassford, actuary; James Herman, assistant actuary, and D. S. Craig of the ordinary department.

In addition to Messrs. Buckner, Home and Judson, New York Life officials present included A. H. Meyers, vice-president and treasurer, and William Macfarlane, vice-president and actuary.

Sylvester Smith, assistant general solicitor, was on hand to observe proceedings for Prudential, while O. F. Graham, assistant secretary, represented Guardian Life.

Corporate Interrelationships

Examining into corporate interrelationships through boards of directors Gesell Wednesday afternoon questioned Mr. Buckner on possibilities of directors influencing purchases by life companies to the director's personal profit. Mr. Buckner denied directors of New York Life did this or that they would do so. This was corroborated by testimony of Wilfred Kurth, chairman Home of New York, the big fire company group, that while other Home directors had been useful in obtaining fire insurance business the three who were also directors of life companies—two on the Metropolitan board, and one on New York Life—had not brought any of the life companies' fire business to the Home despite efforts of the Home to get them to do so. Mr. Kurth frankly expressed regret at the Home's lack of success in this direction got quite a laugh.

Harry Bottome, general counsel, testified on specific purchases of supplies and services. Gesell attempted to determine whether purveyors of these who were on the board had any advantage over other bidders.

As Wednesday's session closed it was expected that President D. F. Houston of Mutual Life of New York and C. D. Hilles, resident manager in New York of Employers Liability, would be the witnesses at the next day's hearing. President M. J. Cleary of Northwestern Mutual was scheduled to appear Friday. Summers announced that the committee hoped to end the insurance hearings Friday.

Cincinnati—The tri-state sales congress will be held March 9 at Hotel Gibson. J. C. Sebastian, Union Central, is program chairman; A. R. Massa, Connecticut Mutual, publicity chairman. A sales clinic will be conducted by outstanding members.

Interesting Contrasts in Canadian-U. S. Death Rate

TORONTO—Death rates in Canada in 1938 from certain causes are in direct contrast to those in the United States, according to experience on industrial policyholders of the Metropolitan Life. Among the Canadian policyholders diphtheria, cerebral hemorrhage, pneumonia, the puerperal conditions and accidents showed increases this year compared to decreases in the United States. The pneumonia death rate showed a 2.7 percent increase in Canada as compared with a decline to a new minimum in the United States. There has been a considerable rise in the mortality from puerperal conditions in Canada, whereas in the United States the cumulative death rate, in 1938, is the lowest on record.

Contrary to the increase in suicides in the United States this year, there has been practically no change in the rate from this cause among Canadian policyholders. The rise this year in Canada in the mortality from all accidents combined (6.7 percent) and from automobile fatalities (6.1 percent) is in direct contrast to sharp declines in the United States.

Female Mortality Shows Improvement

Actuary Guest of State Mutual Gives Results of His Study

Female mortality has been improving over a period of years to a greater degree than has been the case with males. Improved selection standards and more adequate medical examinations have eliminated a good deal of the poor insurance experience on women of several decades ago.

These facts were presented recently by Actuary R. C. Guest of the State Mutual Life following a study of female mortality made on business exposed between 1919-1936. State Mutual has been writing insurance on women since 1845.

Mr. Guest asserted that because of the lower average policy owned by women, and the consequent higher expenses, equity would demand better than average mortality if women are to be written in the same premium and dividend classifications as males.

Increase Is Notable

Insurance on women has increased noticeably in recent years, Mr. Guest found. Until 1929 in State Mutual it was 10 percent by lives and 5 percent by amount, but that proportion now has increased to nearly 20 percent by lives and 10 percent by amount. Noting a tendency for amounts applied for to increase, Mr. Guest added that the average policy is kept down by an increase in the number of small retirement income contracts issued to self-supporting women.

Compared with total business on the American Men table, female mortality is more favorable over the entire period studied. It was, Mr. Guest said, not subject to the heavy depression mortality, although suicide among women did increase between 1929 and 1936.

What Investigation Showed

State Mutual's favorable experience with female lives is duplicated in the results of wider investigations. Mr. Guest said: "The medico-actuarial mortality investigation showed a slightly higher mortality among women than men in aggregate. When broken down into classes it showed spinsters with considerably better mortality than men, widows and divorcees slightly higher, and married women considerably higher than men."

"The American-Canadian mortality investigation based on the experience of the majority of companies from 1900 to 1915 showed mortality on American women not as good as American men in the early insurance years, better at attained ages over 40 in the sixth and succeeding insurance years combined."

Aetna Life Home Office Changes

Associate Medical Director G. P. Paul, Jr., of Aetna Life is retiring. Assistant Treasurers M. H. Brainard, Jr., and C. A. Spoeri, of Aetna Life are elected to the same positions with Aetna Casualty and Automobile. A. H. Moses, Jr., is elected assistant treasurer of Aetna Life; John A. Blanchfield and J. J. McKinley become assistant secretaries and E. H. Snow and William Abbey field supervisors in the life division.

Policy Saved From Flood

The Connecticut Mutual has received from a Vermont agent a request for a new policy. The agent wrote: "This policy was swept downstream in the flood of Sept. 21, and lodged in the top of a tree 12 feet from the ground, over two miles from the policyholder's farm, in Chester, Vt."

Practically the only remaining possession of the farmer, the policy bears a neat hole where it was pierced by the limb of the tree which saved it from loss.

Metropolitan Life Plans Exhibits

Arranges for Display at New York and San Francisco Expositions

The Metropolitan Life, in arranging for its exhibits, one in the business systems insurance building in the New York World's Fair and the other in the Hall of Science, Golden Gate International Exposition at San Francisco, is taking great pride in carrying out the theme of each of these fairs. For instance, the New York World's Fair has as its underlying theme, "Building the World of Tomorrow." The Metropolitan illustrates how it takes its part in providing for security and in promoting health and safety of the people. It has 29,000,000 policyholders in the United States.

Four Broad Heads

The exhibit has been developed under four broad heads:

1. The composition of the company's many policyholders, their geographic distribution, their occupations and other items of general interest concerning this large cross-section of the American people. An ingenious gadget—an elliptical bowl around whose rim will be a continuous row of figurines—will enable visitors to determine the number of policyholders engaged in each of 45 major occupations. By pushing the button in front of the appropriate figurine the answer will appear in electric lights. Within the bowl is to be a map of the United States and Canada showing the location of the district offices and the geographic distribution of policyholders.

2. The benefits of life insurance which accrue to these people and the varied services of the company which make them possible. This section will follow the course of funds received from policyholders through the home office and back to policyholders, indicating the mathematical exactness of insurance as a science.

Benefit to Community

3. The benefits to the community as a whole flowing from the variety of the company's investments—the stimulation of business and increased opportunities of employment.

4. The special services rendered through its health and life conservation activities. The work of the nursing service, the successful demonstrations to control tuberculosis and to reduce infant mortality will be portrayed. Here also will be shown the work of the company in fighting pneumonia and the part it has played in the development of the pneumonia serum which, if intelligently used, may reduce mortality from lobar pneumonia by one-half.

Church Mortgage Insurance Deal Is Litigated

The Washington supreme court has refused to compel a member of a church to pay overdue installments on a note executed by him in connection with an arrangement whereby the congregation borrowed \$60,000 from a life company and the parishioners at the same time insured themselves to the extent of \$75,000. The case was Gose vs. Harris. The supreme court stated that the transactions involved were so complex that a person of ordinary intelligence could not understand them without interpretation.

Harris, the defendant, relied on the interpretation given by the agent of the insurance company and officers of the congregation which, as the trial court found, was misleading.

The notes were executed by members of Herzl congregation. In 1929 the congregation arranged to borrow \$60,000 from a life company by a mort-

gage upon its synagogue. As a condition, the insurer required that members of the congregation procure life insurance from the company in amounts aggregating \$75,000. Subscribers to a fund signed a promissory note for the amount subscribed. The policies were written in favor of a trustee, who in turn, gave to the individual subscriber a certificate evidencing his interest in the policy. Harris after paying three installments, refused to make any further payments and the note was assigned by the trustee to Gose for collection.

Bank Loan Finances Premium

An interesting application of the bank-policy loan idea was made recently. A corporation decided to buy a large business insurance policy on the life of a principal executive. It desired to pay on the single premium basis, but did not have the funds to complete the transaction. A bank advanced an amount

that was equivalent to what the cash surrender value would be as soon as the single premium was paid, less 6 percent, and then when the policy was issued took an assignment.

Five Tax Recommendations

Five important developments affecting life insurance from the tax angle were stressed by P. S. Smith, tax consultant E. A. Woods Company, general agents Equitable Society, at a meeting of the Pittsburgh chapter of C. L. U. They are recommendations of the treasury department that the estate tax and gift tax be combined; narrowing of exclusion under the Pennsylvania and Allegheny county personal property tax laws; need for greater cooperation with the legal profession; greater service that qualified life underwriters can render to clients in avoiding unnecessary taxation; and need for caution on the part of life underwriters in their recommendations as to the transfer by absolute assign-

ment of any property, including life insurance, in order to obtain tax advantages by reduction of a man's estate.

F. Hobart Haviland, formerly manager Chicago office Connecticut General, was one of three home office officials who attended the annual meeting of the Chicago agency last week. He is now vice-president in charge of agencies. Also present from the home office were R. J. Dorr, chief underwriter accident and health, and Dr. A. J. Robinson, medical director.

E. A. Frerichs, superintendent of agents Security Mutual Life, Nebraska, has been chosen head of the public affairs division of the Lincoln chamber of commerce.

Company reports, policy facts, rates and values all covered completely in the 1939 *Unique Manual-Digest*, \$5. National Underwriter.

The Great American's GREATEST YEAR

Is Reflected In Its FINANCIAL STATEMENT

As of December 31, 1938

RESOURCES

First Mortgage Loans on Real Estate.....	\$1,374,494.37
Real Estate (including ten-story Home Office Building owned without encumbrance).....	274,172.66
Cash Loans to Policyholders (within the reserve).....	190,385.93
Cash	154,064.24
U. S. Government, State, Municipal and Corporate Bonds	810,576.09
Investment in Federal Home Loan Bank, Governmental Agencies, and Warrants.....	20,849.35
Interest and Rents Due and Accrued.....	23,912.41
Premiums in course of Collection (liability included in reserve)	196,902.16
Total	\$3,045,357.21

LIABILITIES

Legal Reserve on Outstanding Policies.....	\$1,609,714.05
Reserve for Death and Disability Claims (payable in instalments)	83,868.98
Reserve for Dividends and Coupons.....	153,202.43
Reserve for Other Liabilities and Contingencies.....	48,571.75
Capital	\$500,000.00
Surplus	650,000.00
Capital and Surplus.....	1,150,000.00
Total	\$3,045,357.21

Capital and Surplus Now Exceeds \$1,500,000.00

The Great American Life Insurance Co.

OLD LINE

CHAS. E. BECKER, President

LEGAL RESERVE

THE YEAR'S ACHIEVEMENTS IN BRIEF

A \$600,000.00 increase in assets • A 22% increase in renewal premium income • A gain in surplus of \$150,000.00
The attainment by the Great American organization of resources approaching \$7,000,000.00.

EDITORIAL COMMENT

For an Anti-Questionnaire Society

CHARLES COLLINS, who conducts the Line o' Type column in the Chicago "Tribune," remarked the other morning that the greatest delusion of the AMERICAN people, whose aberrations are numerous, is that whisky cures a cold.

Another delusion that occurs to us is that the ultimate objective of business enterprise is to produce answers to questionnaires.

The questionnaire habit has been with us for some time, and it is becoming so insidious that, unless checked, before long the business man's chief occupation will be making answers to interrogatories from high school and college students who are getting up theses, from the secretaries of the various trade associations to which the business man belongs, from various governmental agencies and from the ladies' clubs that are making searching inquiries into American business.

Just about the last word in questionnaires, with which we are acquainted, is the 112-page interrogatory that was recently addressed to 26 major life insurance companies by the Securities & Exchange Commission in connection with its current investigation of insurance in the federal anti-monopoly probe. Some say that the answers to this questionnaire will run at least 1,000 pages per company. How many man and woman hours of labor will be required to get the answers together will, of course, be the subject of another questionnaire at a later date?

We believe there are too many questionnaires.

It is interesting to get together various kinds of information through the questionnaire method, but a small proportion of the information serves any useful purpose that compensates for the time and effort involved in getting the answers together. A great many questionnaires involve a lot of busy work and the conclusions that are reached from the answers are merely what common observation would reveal.

The expense of doing an insurance business is increased considerably by the necessity of answering questionnaires of one kind and another. In addition to the regular annual statements, all sorts of demands are made upon the companies for additional information. Much of it is difficult for the companies to extract from their own records and the purposes that are served are not always important.

The SEC questionnaire is a formidable document. We don't intend to study it minutely to find out exactly what the SEC is driving at, but, offhand, we will say that any questionnaire of that size is a mistake. The insurance companies report fully to the state insurance departments, their records are open, and to cause them to get up a report of 1,000 pages is an imposition.

THE NATIONAL UNDERWRITER would be delighted to contribute modestly to an anti-questionnaire society and we would shout lustily at its meetings.

Fire Extinguishers for Termites

THE NATIONAL ASSOCIATION OF LIFE UNDERWRITERS is to be commended for getting out a booklet which turns the spotlight on the fallacies of renewable term insurance and very ably lifts the roof from the termites and twisters. So called insurance counselors, experts, etc., masquerading under a majestic name really are destructive forces undermining the foundations of a man's life insurance protection.

Considerable literature has been produced during the last few years devoted to unsettling the minds of policyholders as to their insurance. In almost all

cases the termites recommend that persons carry cheap insurance or term policies and invest their own money. In other words, they claim that they can invest their money to much better advantage than the life companies and it is a mistake to allow any investment factor to be in a life insurance policy. These arguments are fallacious but because of the technical features of life insurance the public is inclined to lend a friendly ear. It is well that the field men have factual information to rebuff the illusive arguments that are set forth. The life insurance purchasers merit the truth.

Should Strengthen State Supervision

WHILE the SEC investigation is in progress at Washington, D. C., the cause of insurance is not advanced when we find that there are two sets of state

examinations in progress in New York City due to disagreement among the commissioners as to what should be the program for examining New York com-

panies because the state department there will not recognize the zone system of conducting examinations literally. Fortunately at the commissioners' meetings in Chicago they repealed this legislation.

Regardless of the value of the zone system, and it has its merits, the attorney general of New York supports Superintendent PINK in the latter's contention that official examinations can only be made by examiners under civil service rules. Some of the other commissioners challenge this ruling. However that may be, state supervision cannot strengthen itself with these internecine fights.

Insurance people as a whole believe that state supervision is far superior to federal even though the latter would give much desired uniformity. However to have insurance controlled and regulated by a single bureau does not set well in these days of bureaucracy. Insurance would rather try its case before state insurance commissioners than before a federal bureau. Therefore, the state commissioners should respond to this sentiment and exercise their utmost powers to harmonize their differences and add more potent arguments for the continuation of our present system if a drastic change is to be avoided.

PERSONAL SIDE OF THE BUSINESS

Jacob F. Bryan, II, vice-president of the Independent Life & Accident, Jacksonville, Fla., died after a long illness.

Mrs. Mary A. Fairchild, chief clerk Nebraska insurance department, recently ended her 25th year of service in that bureau. She started in the actuarial department, and was chief of the bureau of insurance from 1923-24, and was deputy commissioner under J. R. Dumont. Since 1929 she has been chief clerk.

H. B. Houghton, president and treasurer of the National Aid Life of Oklahoma City, was married to Miss Jeanne Ladd.

President **B. J. Perry** of the Massachusetts Mutual Life and Mrs. Perry sailed from Miami for a West Indies cruise, following the annual meeting of general agents at Palm Beach. They stopped at Nassau and Haiti while enroute to Jamaica. From Jamaica they sailed to Bermuda for a stay of two weeks.

M. C. Chier, Milwaukee general agent of the Continental Assurance and a member of the Million Dollar Round Table, is taking a Caribbean cruise, leaving from New Orleans accompanied by Mrs. Chier.

J. P. Sherrod, of Kansas City, general agent in Missouri for the Capitol Life of Colorado, has been named recorder of deeds for Jackson county by Governor Stark.

Guy A. Reem, general agent State Mutual, Detroit, left for Boston to fly to Miami. Feb. 15 he and a friend, Dr. Barker, embarked on the Maya Clipper of Pan-American Airways for Merida, Yucatan, from whence they will proceed to Chichenitza, where Dr. Barker is doing research work for Carnegie Institute. Mr. Reem will return in a month.

Ben W. Lacey, president of All-States Life, Montgomery, Ala., is recovering at his home from several days' illness of pneumonia.

Stewart E. Myers, president Oklahoma Association of Life Underwriters, and **C. C. Day**, general agent at Oklahoma City for the Pacific Mutual, were named directors of the 1939 community fund.

Arthur L. Beck, Buffalo general agent for the National Life of Vermont, has been appointed to the board of managers of the Downtown Y. M. C. A. of Buffalo. Mr. Beck is secretary of Buf-

falo Life Underwriters, and a director of Buffalo Life Managers Association.

H. K. Lindsley, president Farmers & Bankers Life, Wichita, Kan., and his wife presided at a reception honoring their two sons and their brides, Mr. and Mrs. R. K. Lindsley and Mr. and Mrs. H. P. Lindsley. Mrs. Robert Lindsley's parents, Mr. and Mrs. R. F. Benzinger, Salem, O., attended.

Mrs. Hilda Jane Meade of the Joseph M. Gantz general agency of Pacific Mutual Life in Cincinnati led the entire field in January paid production.

She was the only woman in the agency force to qualify for a trip to the San Francisco World's Fair during the Treasure Island prize production contest. Mrs. Meade won her way into the Big Tree Club, composed of leading producers, and is again eligible for membership in that organization for 1939.

Stanley Reed, Louisville co-general agent of the John Hancock Mutual Life, has returned to his home following an operation for gall bladder infection.

Walter W. Head, president General American Life, as national president of Boy Scouts presented President Roosevelt to millions of listeners in a coast-to-coast radio hook up. The President spoke from his study in the White House and Mr. Head from station WDNH, Danville, Ill. The program was part of national observance of the 29th anniversary of establishment of Scouting in the United States.

W. S. Fuller, manager Prudential agency, Chicago, will go on a vacation in March to California. He will attend the opening of the fair at San Francisco, and after staying a few days there will go to Los Angeles.

G. F. Hollenberg, assistant secretary Union Central Life, who started with the company as an office boy in 1892, retired after 47 years' service. He started as assistant to J. R. Clark, Sr., who was then treasurer. He was promoted to the policy division, where his excellent penmanship was used to fill out the spaces required for policy values and copying the application questions, before the days of the photostat. He became chief clerk of the actuarial department in 1903. Between 1907-1933, he devoted much time to the conservation department. In the latter year he was appointed assistant secretary, in charge of reinsurance. Mr. Hollenberg has the

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longest current home office career of anyone in the company.

Fifty-five years' membership and service in the Milwaukee Y. M. C. A. by **Albert E. Mielenz**, Milwaukee general agent Aetna Life, were commemorated by a resolution of tribute at the organization's annual dinner, which also marked completion of his term as president. Mr. Mielenz has been a member of the board since 1891 and has served 27 years as chairman of the boys' work committee.

Thomas E. Hartmann, Newark general agent, New England Mutual, is again a grandfather, the third child having been born to his son, John Hartmann and Mrs. Hartmann. The younger Hartmann is with the Selected Risks Co., of Branchville, N. J.

Col. H. I. Weed, vice-president and general counsel Wisconsin National Life, connected with the company since it was started in 1908, observed his 78th birthday anniversary. He has been practicing law for over 55 years. He is enjoying good health and is at his desk daily.

Business Men's Assurance had a 10.4 percent increase in January, a new high record for January production since 1932. Branch offices that led were: California, first; Missouri, second and Texas third. The Tennessee and California offices reported a new high record of production for January.

DEATHS

N. S. Cubberley of Trenton, N. J., vice-president New Jersey State Life Underwriters Association, died suddenly of a heart attack while driving his automobile in Trenton. He was a former president of the Trenton association. He conducted a local agency and was general agent of the Massachusetts Protective Life and the Paul Revere Life.

Leo A. Gehrig, 58, president of the Rock Island Life of Rock Island, Ill., died at St. Anthony's Hospital in his city following an operation for appendicitis. He was born in New York, Sept. 2, 1880. He became associated with the advertising department of the Railway Employees Benefit Association in 1923 and later was made Iowa state agent. He was the founder of the Binghamton Conservatory of Music at Binghamton, N. Y. The Rock Island Life was formerly known as the Northwest Mutual Benefit. Mr. Gehrig married Lois A. MacGregory, April 6, 1910, in North Dakota, and the two traveled for the Benefit Association of Railway Employees until 1923.

Wilson Ferguson, 60, Northwestern Mutual Life agent in Pittsburgh for many years, died.

REJECTED RISKS

A Banker's Life of Iowa agent, D. D. Conger has set a unique record. He recently sold insurance to his eighth pair of twins and reports he has another set already lined up.

"The app-a-week proposition is the thing," remarked a speaker at an agency meeting the other day. "The best life insurance man I ever knew went 597 weeks without stopping."

"And then," piped up a case-hardened heckler in the audience, "the prospect died."

"Our legislative approach to insurance problems is undoubtedly too complicated. The Chinese system would save us a terrible lot of reading and legislative work, because they regulate the insurance business in four words: 'Company bust—kill president.'"—C. M. Smith, counsel Lumbermen's Mutual Casualty.

COMPANIES

Victor Harris Promoted by Sun Life of Canada

MONTREAL, CAN.—Appointment of V. B. Harris as superintendent of agencies, central United States division of the Sun Life of Canada is announced.



VICTOR B. HARRIS

For the past five years he has been assistant superintendent in charge of Canadian agencies. He succeeds C. H. Heyl, recently transferred at his own request to a managerial position in the field. Entering the Sun Life at Montreal early in 1920, Mr. Harris was appointed chief clerk, profits department, the following year. In 1923 he became assistant in the field service bureau where he was placed in close touch with agency problems. In 1924 he became secretary, Montreal city agency. Three months later he became secretary of agencies, Canadian department. In 1927 Mr. Harris was appointed inspector of Canadian agencies. In 1934 he became assistant superintendent of Canadian agencies. C. H. Heyl will be manager of the Charleston, W. Va., branch. W. Lee Mullen, now at Charleston, will assume charge of the Peoria, Ill., branch.

Cooperative Life Elects Lincoln

M. D. Lincoln was reelected president Cooperative Life of America at the annual directors meeting. H. A. West, formerly vice-president, was elevated to chairman of the board. L. A. Taylor, who was secretary-treasurer, was elected vice-president and secretary and J. E. Keltner was made treasurer. He previously was assistant secretary.

L. J. Bennett and C. W. Lestwich were chosen assistant secretaries. W. E. West was elected assistant treasurer. Other positions filled were: Harold Curry, actuary; R. W. Richert, superintendent agents, and M. E. Foltz, superintendent claims.

Home Life's Figures

In commenting on the annual statement of the Home Life of New York, a mistake was made in the figure \$4,907,153, which was the amount of the real estate acquired through foreclosures. In the article it was mentioned as overdue interest on active mortgages. At the end of the year overdue interest on active mortgages amounted to less than one-fifth of 1 percent of the mortgages.

May Form Life Company

SPOKANE, WASH.—At the meeting of the Washington-Idaho Farmers Union consideration was given the formation of the Farmers Union Life.

State Life Election

P. W. Lesh, president of the C. P. Lesh Paper Company of Indianapolis,

LIBERAL AGENCY CONTRACTS



The Kentucky Home Mutual Life Insurance Company can offer liberal agency contracts to life underwriters of proven ability in Ohio, Indiana, Alabama, Florida, Tennessee and Kentucky territory.



This agency-minded company is built on a solid foundation, formed through economic management, sound investments, careful selection of business, prompt payment of claims, attractive agency contracts. Such a support will endure and withstand the stress and strain that may come to us all in future years in the form of one catastrophe or another.



The progress made by the field force of the Kentucky Home Mutual Life Insurance Company, reflects, to a large degree, the active home office cooperation afforded by the company. Write for Agency information.



45 MILLION OF INSURANCE IN FORCE

Kentucky Home Mutual
LIFE INSURANCE COMPANY
LOUISVILLE, KENTUCKY

ELLSWORTH REGENSTEIN,
President



"My Old Kentucky Home"
Bardstown, Kentucky

has been elected to the board of the State Life. G. C. VanBuren has been elected treasurer. He is a graduate of the University of Michigan in actuarial science and joined the home office in 1920.

Charles Greenfield is Advanced

C. D. Greenfield has been made assistant to the president of the Western Life of Helena, Mont. He has been with the company since 1923 and engaged in publicity, advertising, conservation and sales promotion work. He is a member of the agency committee.

Kamins Made Agency Director

Alliance Life of Peoria announces that B. T. Kamins, assistant agency director, has been made agency director. He has had experience in almost every home office department combined with an excellent record of successful sales production.

NEWS BRIEFS

Superintendent Lloyd of Ohio has filed suit at Columbus against the Federal Union Life, asking the court to de-

termine to whom a deposit with the state amounting to \$112,900 shall be paid. The company some time ago was taken over by the All States Life of Alabama. T. M. Miller has been named master commissioner in the case.

Ralph J. McKinney, Grand Island, Neb., former policyholder in the American Annuity of Omaha has filed suit to set aside its merger with the Republic National Life on the ground that the merger was made without an examination of the company and that the policyholders were given no opportunity to vote on the proposal.

Agents for North Alabama

Edwin P. Cook has been appointed general agent for the Pan-American Life north Alabama territory, with headquarters in Birmingham.

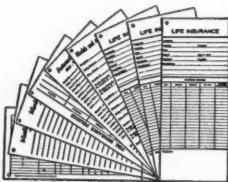
Mr. Cook entered the life insurance business four years ago.

B. J. Novak, Shiner, Tex., Jefferson Standard Life agent, who has been ill at his home for three months, has maintained his "App-A-Week Club" membership by having his prospects come to his home. He has now completed over seven years as a member of the "App-A-Week Club."



These
MONARCH WALLETS
will move you closer to
the "big producer" class

Every live insurance agent knows that good will means cash in his pocket. Here's a good will builder which you can use at surprisingly low cost—which will make prospects remember you every time they think of insurance. Monarch Wallets are rich and impressive-looking—contain your choice of analysis envelopes in either life or assorted groups. Four different styles—all handsome genuine leather. Made by old established company—used regularly by big producers all over the country. Make your start now for bigger volumes. See what Monarch Wallets can do for you. Write today for complete descriptions and prices.



THE Hagerstown LEATHER CO.
HAGERSTOWN MARYLAND

LIFE AGENCY CHANGES

Connecticut Mutual's New General Agent at Bridgeport

Malcolm MacCallum, supervisor for the Connecticut Mutual in the John A. Ramsay agency, Newark, N. J., has been advanced to general agent at Bridgeport. At Newark, Mr. MacCallum built a pro-



MALCOLM MacCALLUM

duction unit from scratch, which in its first year, 1937, produced \$739,000, and last year reached \$1,500,000.

Mr. MacCallum began his business career in the trust department of the Second National Bank of Erie, where he remained until 1931, when he entered the life insurance business with the Blossom agency of the Connecticut Mutual.

Rappaport Is Appointed as Chicago General Agent

Earle S. Rappaport, assistant to General Agent E. E. Henderson of the Pacific Mutual in Chicago, has been appointed general agent by that company to open a new office in that city. He has been in the home office making arrangements. Chicago headquarters have not yet been selected.

Mr. Rappaport's two brothers, Eugene and Leslie, who also have been connected with the Henderson agency, will become associated with him. Eugene is one of the leading producers in Chicago.

Mr. Rappaport has been connected with the Pacific Mutual in Chicago for 17 years, although he is only 35 years of age. He started as a clerk in the cashier's department when Jens Smith, now manager of agencies at the home office, was Chicago manager. Mr. Rappaport worked up to brokerage representative and later unit manager in the Pacific Mutual at Chicago, then became assistant to Mr. Henderson, a post he has filled for a number of years. Mr. Rappaport's father, the late John H., was an agent of the Pacific Mutual in Chicago for more than 20 years and connected with the Henderson office five years.

Earle Rappaport is a C. L. U.; for a number of years has been an instructor on life insurance in the Insurance Institute courses at Chicago and was a director and active on committees of the Chicago Association of Life Underwriters. While doing general agency work he has produced upwards of \$200,000 annually.

Snider Fort Worth Manager

O. L. Snider has been appointed agency manager of the Fort Worth district by the Great Southern Life of Houston. His headquarters will be at 408 Sinclair building. He was born into the insurance business, his father having been for many years an agency manager for the Bankers Life of Iowa. He has been in Denver for the Colorado Life.

Vineyard Named Associate by General Agent Campbell

LITTLE ROCK, ARK.—Foster A. Vineyard, who has been for seven years with the Aetna Life general agency here has been advanced from assistant to associate general agent, with General Agent G. H. Campbell of Arkansas and Louisiana. Mr. Vineyard is a son-in-law of Mr. Campbell. He is immediate past president of the Little Rock Association of Life Underwriters. I. L. Wallin, Little Rock, has joined the Campbell agency as special agent.

Mr. Vineyard is a C. L. U. and holds the certificate in agency management issued by the American College. He has served as a committee chairman of the National Association of Life Underwriters.

Jefferson Standard Opens Two Branch Offices

The Jefferson Standard Life has opened two new branch offices in South Carolina. B. R. Langley, formerly district manager at Greenville, will be manager of the new Greenville branch office under which western South Carolina will be operated. Carlyle Gee, formerly cashier of the Charlotte branch, will be manager of the new branch at Columbia under which eastern South Carolina will be operated.

W. L. Brooks, a director, and manager of the Charlotte, N. C., branch under which the entire state of South Carolina has been operated for several years, will concentrate on development of a larger section of the south central portion of North Carolina. This move is in line with the Jefferson Standard's plan to develop more intensively its business in North Carolina.

Mr. Brooks is a life member of the Million Dollar Round Table. He has consistently led the Jefferson Standard agency force in personal production in addition to performing his duties as manager of the largest branch office.

O. G. Welsh at Cleveland

C. R. Walker, since March, 1936, general agent for the Equitable Life of Iowa at Cleveland, is succeeded by O. G. Welsh, who has been general agent at Akron, O. The Cleveland and Akron territories are consolidated. Agency offices will be continued in the

Union Central Life Names San Francisco Manager

William H. Brock, Jr., has been appointed manager of the northern California agency of the Union Central Life with headquarters at San Francisco and has assumed his new post. Mr. Brock entered the life insurance business three years ago with the Aetna Life, after more than ten years of sales work with the Union Oil Company of California. He was immediately successful in



W. H. Brock, Jr.

personal production, being a charter member of the Quarter Million Round Table of the San Francisco Life Underwriters Association.

In 1938 he joined the Connecticut Mutual Life as assistant general agent in San Francisco. He is a member of various insurance organizations, is a native of northern California and has spent most of his business life in San Francisco, but was stationed at various times in the Monterey and Stockton districts.

Union Commerce building at Cleveland and the Akron office in the Akron Savings & Loan building will be maintained as a district office. Mr. Walker was compelled to resign on account of his health. He plans to take a vacation in Florida. Mr. Welsh went with the Equitable Life in 1927, after having served as general agency cashier in Des Moines for another company. He was transferred to Akron, in January, 1932.

Sessions Houston Manager

Roy B. Sessions, who has been appointed general agent at Houston for the Occidental Life of Raleigh, N. C., was born at Marietta, Ga., Nov. 19, 1906. He graduated from the Southwestern Louisiana and Tulane University. After being engaged in different activities he contracted with the Acacia Mutual Nov. 1, 1938, and leaves that company to go with the Occidental.

Koontz Tulsa Manager

J. Vernon Koontz has been appointed district manager for the Mutual Life at Tulsa, Okla., with offices in the Kennedy building. He succeeds J. F. Horne who recently retired because of ill health.

Manhattan Names Latta

Thomas F. Latta, head of the Western Reserve Insurance Agency, Cleveland, has been appointed general agent in Cleveland and northern Ohio for the Manhattan Life, New York. Boyd E. Sharp, formerly with the Prudential, has been named manager of the agency's life department.

To Open Houston Branch

A direct reporting branch office, all lines, will be opened by the Travelers at Houston, Tex., March 1. The present agency and service space, in the Sterling building, will be enlarged to take care of increased agency, clerical, and service requirements.

Tallan Is Named Assistant

W. A. Tallan, Jr., was appointed assistant general agent of the Byron Hart agency of the Pacific Mutual Life in Des Moines. He formerly was with Dun & Bradstreet in Iowa for 25 years. R. Hoefflin of Los Angeles, supervisor of agents, was in Des Moines conferring in connection with expanding the agency.

Name Thomas-Young

A. E. Thomas, former insurance man and banker, has been named head of the Thomas-Young Agency of the New England Mutual Life in Fort Worth, Tex. James Young, is associated with him. Offices are in the Fort Worth National Bank building. Mr. Thomas was one of the original stockholders in the Southwestern Life and later a director of the Gulf States Life, the Cosmopolitan Life and the Western National Life.

Henderson San Francisco Manager

The appointment of Clifford Henderson as manager of the San Francisco ordinary agency of the Prudential has been announced by Manager O. O. Orr, who will retire on February 28, after more than 30 years as a Prudential manager.

Mr. Henderson entered the Orr agency as assistant manager, in October, 1931, after eight years in the Prudential's Honolulu ordinary agency, which he managed for three years for Hawaiian Trust Co., general agents.

Guarantee Mutual Appointments

Guarantee Mutual Life of Omaha has appointed C. H. Ferguson and R. C. Stanton of Mansfield as general agents for nine counties in north-central Ohio, under the name of Ferguson & Stanton. Mr. Ferguson, who recently attended the Guarantee Mutual's agency school at its home office for a two-week period, was formerly manager of the claim department of the Lumbermen's Mutual Fire

at Mansfield. He was in the fire and casualty business for 15 years. Mr. Stanton has operated a local agency for several years.

Guarantee Mutual Life has appointed F. E. Housel, Sr., as general agent for four Iowa counties, with headquarters at Iowa City. He formerly operated an automobile sales agency at Kearney, Neb. He will be assisted by his son, F. E. Housel, Jr., who recently attended the Guarantee Mutual agency school at the home office.

Buck Bailey Named Assistant

The E. F. White agency of the Connecticut Mutual Life in Dallas and Fort Worth has named Buck Bailey assistant general agent at Tyler, Tex. He takes charge of a new branch being opened. Mr. Bailey is a former star end of Washington & Lee University, and for the last nine and a half years has been a successful agent of the Aetna Life at Dallas. He is a native of east Texas. He will maintain offices in 511-12 People's National Bank building, Tyler.

Ebaugh with Occidental

J. W. Ebaugh has been appointed district agent of the Occidental Life at Indianapolis, with offices at 602 Indiana Trust building in Indianapolis. He has been in life insurance for 12 years. Six of this period he spent as examiner for the Indiana insurance department.

Van Stralen Is Advanced

Appointment of F. J. Van Stralen as co-general agent with John W. Yates, at San Francisco, is announced by Massachusetts Mutual Life. Mr. Yates continues as sole general agent in Los Angeles, for the southern part of California.

Mr. Van Stralen entered the business at Seattle in 1927. In 1931 he moved to Detroit as assistant to Mr. Yates, who was then general agent there. Mr. Yates was transferred to Los Angeles and Mr. Van Stralen accompanied him. When, in 1935, the entire California territory was placed under Mr. Yates, Mr. Van Stralen went to San Francisco as manager for the northern part.

Paul Field Made Supervisor

Paul L. Field is appointed supervisor at Cleveland for the T. H. Cummings agency of the National Life of Vermont. He will assist in the training of agents. He has been in the life insurance business for 15 years. The Cummings agency led the field in paid business in January.

Peterson St. Paul Manager

C. C. Peterson has been appointed general agent in Minnesota representing the Loyal Protective Life of Boston. He was formerly an insurance broker in St. Paul where he will make his headquarters.

The Crown Life of Canada has been admitted to Ohio with Ray McGovern of Columbia as representative.

F. C. Nanes has been appointed Corpus Christi, Tex., district manager of the Reliance Life.

John W. Walker & Co., has been appointed district agent of the National Life of Vermont at Augusta, Ga.

J. A. Diefenbach, St. Paul general agent of the Connecticut Mutual, has appointed C. F. Nygren unit supervisor at Austin, Minn.

Gesell and Mehlman Confused

THE NATIONAL UNDERWRITER in its edition of Feb. 3 made the error of referring to Gerhard Gesell, counsel for the Securities & Exchange Commission in the current life insurance investigation, as having formerly been actuary of Colorado Life. The man from Colorado Life who is now with SEC as actuary in relation to the insurance investigation is Harry Mehlman. He was formerly assistant actuary of Colorado Life and actuary in relation to the health and accident department. Charles Mehlman is and has been actuary of Colorado Life for about 10 years.

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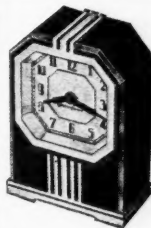
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FINANCIAL STATEMENT, DEC. 31, 1938

ASSETS	
Cash in Banks	\$ 118,157.41
State, County, and Municipal Bonds	340,989.61
United States Government Bonds	166,453.46
First Mortgage Real Estate Loans	400,525.51
F.H.A. Insured First Mortgage Real Estate Loans	149,063.91
Real Estate (Including Home Office Building)	696,154.09
Loans to our Policyholders	369,856.91
Net Uncollected and Deferred Premiums (Life)	65,136.64
Accident and Health Premiums in course of collection	5,324.89
Interest and Rents Due and Accrued	20,915.25
Other Assets	13,823.54
Total Admitted Assets	\$2,346,401.22
LIABILITIES	
Legal Reserve on Life Policies	\$1,639,172.12
Reserve on Accident and Health Policies	147,395.92
Death Claims (Awaiting Proof of Loss)	4,907.00
Reserve on Accumulated Dividends and Coupons	211,764.43
Reserve for Taxes payable in 1939	7,022.61
Premiums and Interest Paid in Advance	11,939.61
All Other Liabilities	8,354.75
Capital and Surplus	315,845.38
Total Liabilities	\$2,346,401.22

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— 1938 HIGHLIGHTS —

Life Insurance in Force gained	\$ 6,881,148.00
of which over \$5,000,000.00 was in Ordinary Insurance.	
Total Life Insurance in Force	118,928,046.00
A new all-time high.	
Assets advanced to	11,178,206.14
a Gain of	1,267,562.82
Surplus to Protect Policyholders	2,862,667.39
a Gain of	300,000.00
Total Income reached an all-time high of	8,158,762.39

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AS SEEN FROM CHICAGO

G. F. B. SMITH TO SPEAK

G. F. B. Smith, assistant superintendent of agencies for the Connecticut Mutual, will be the speaker on Feb. 20 before the sales seminar for brokers being conducted by the C. J. Zimmerman agency in Chicago. Mr. Smith, who is one of the youngest home office executives in the country, will discuss "Planned Selling."

SWANSON AGENCY IS SECOND

The H. G. Swanson general agency of the New England Mutual Life in Chicago took second place countrywide in January with paid production of \$1,554,000. This contributed to the second largest paid for business month in the company's history, George L. Hunt, vice-president in charge of agencies, announced, the total for the month being \$28,407,000 paid for. He stated the paid for production of the Swanson agency men was an outstanding achievement.

ACTUARIES TO HEAR CHAMBREAU

The Chicago Actuarial Club will meet Monday evening to hear W. W. Chambréau, tax consultant of Washington, explain federal income taxes and their effect on life insurance as well as giving new information as to treasury department interpretations.

STEVENS WITH HUGHES

James W. Stevens, II, has joined the Hughes general agency of the Massachusetts Mutual Life in Chicago. He is a son of the late R. W. Stevens, former president and grandson of James W. Stevens, founder of the old Illinois Life. He was vice-president of the Illinois from 1922 to 1930. Since 1930 he has been in the investment business in Florida.

M. F. BINGHAM RESIGNS

M. F. Bingham has resigned as supervisor for the Royer agency of the Penn Mutual Life in Chicago. He joined the agency when A. E. Patterson was manager in 1932 and later became supervisor. He continued as supervisor under Manager Royer. He is a graduate of Cornell University, class of 1927, and is a C.L.U. He has made a good record both as a producer and supervisor.

BAIRD ON COAST TRIP

H. W. Baird of Chicago, assistant manager of the Illinois department of the Reliance Life in charge of training, with his wife and two children is spending a vacation in Los Angeles and Riverside, Cal. He is visiting his grandparents, both of whom are over 80 years of age. A new class in training will start with Mr. Baird in charge the first Thursday in March.

BRAMHALL JOINS HOME LIFE

W. M. Bramhall has been appointed to handle brokerage full time for the J. F. Ramsey agency, Home Life, Chicago. Mr. Bramhall was the leading producer for Connecticut Mutual for 1938. He was with that organization for 15 years.

CHICAGO AND LIFE COMPANIES

There has been reprinted for private circulation from the "Journal of Business," University of Chicago, a brochure by Dr. Melchior Palyi entitled "Life Insurance and the Financial Frontier." He is a research economist at the University of Chicago and consulting economist of Stifel, Nicolaus & Co., financial investments, 105 West Adams street, Chicago. In this treatise Dr. Palyi answers the question of why Chicago has not developed a life insurance business commensurate to its financial size and importance. Dr. Palyi believes that if the influential element of the community realized the need for life insurance companies to round out the credit picture in Chicago they would give support to the movement to encourage local

Lecture Series



SAMUEL HEIFETZ

Samuel Heifetz, manager of the Mutual Life of New York in the Field building, Chicago, announces that on March 2 there will be started in his office a series of lectures for the benefit of a group of insurance brokers, others who are contemplating life insurance work as a career and its own agency people. The lectures will be delivered by trust officers of seven banks, assisted by an able attorney. Mr. Heifetz has taken the ground that there is need for greater cooperation between life men and trust companies. The scope of the work has broadened since the recent adoption by a number of life companies of limitations in mode of settlement options. In some cases trust companies can render more effective service to beneficiaries in the disbursing of life insurance funds than life companies can, he said, because of the broader discretionary powers of the trust company. It is to the advantage of the life agent, Mr. Heifetz declared, to secure the good will and cooperation of the trust companies. They are important to the life agent. Their recommendation of the purchase of life insurance for the preservation of estates makes them a powerful ally.

Mr. Heifetz further feels that a man engaged in life insurance should be familiar with taxes; he should be able to advise his clients on the application of life insurance to taxes, but he should not go far beyond the scope of his advisory production activities. Mr. Heifetz says, "A knowledge of the demands that taxes make on an estate, if intelligently used in an agent's daily interviews, would greatly enhance his opportunities to progress in his work."

companies. He says there is no natural monopoly in this field and a relatively small group of determined men enjoying the confidence of their community could make considerable progress in a comparatively short time. Such a drive, he concluded, might work itself out through mergers, bringing accretion to a present existing company or an effort might be made to attract to Chicago the home offices of companies now in existence elsewhere.

LUSTGARTEN AGENCY'S BIG RECORD

The Sam Lustgarten agency of the Equitable Society, Chicago, with \$4,160,000 paid business in January also had the three country-wide leaders in volume, number of lives and premium total. Louis Behr was No. 1 in volume with \$720,000 and also in number of paid cases, with 39. Harry Steiner led in premium total with \$23,500, his volume

being \$713,000. M. L. Allen was third in the U. S. with \$475,000. The Lustgarten agency in the last two months has paid for \$6,290,000, as it paid for \$2,130,000 in December. Leading units in January were: M. A. Feuer, \$404,000; Ned M. Becker, \$355,000; R. E. Grossberg, \$347,000.

C. E. Harris was appointed assistant manager in charge of the former Falk unit. He has been with the Equitable 15 years.

GROSS ASSISTANT TO HENDERSON

Joseph H. Gross, cashier of the E. E. Henderson general agency of the Pacific Mutual Life in Chicago, has been advanced by Mr. Henderson to his assistant. Mr. Gross formerly was general agent Columbian National Life in Brooklyn and later of the Minnesota Mutual Life in St. Louis. He was cashier for W. W. Klingman of the Equitable Society while the former Equitable vice-president was agency manager in the field. He was also Equitable cashier at Wheeling, W. Va.

INSURANCE PROBE IN CHICAGO

The "Business-Getter" sales clinic sponsored by the Chicago Association of Life Underwriters Wednesday afternoon

was modeled after a life insurance investigation, with four leaders being interrogated as to their production methods. The four men were: L. Mortimer Buckley, Provident Mutual; Ernest Krug, Mutual Life; Walter Leck, State Mutual; F. A. C. Tocque, Berkshire Life.

HINTZPETER OFFICE TAKES LEAD

The H. C. Hintzpeter agency of the Mutual Life of New York in Chicago, made a clean sweep of the Chicago metropolitan division in the "star producers" honor roll for 1938, winning all six positions. Three were for paid business and three for number of lives written. Paid business leaders in order were J. D. Miller, C. H. Anderson and S. H. Foreman of the agency, and lives leaders in order were S. J. Levine, E. B. Hill and Nicola Martinelli, also of the Hintzpeter agency. The annual luncheon meeting was held this week, H. C. and his two sons, E. C. and E. D., assistant managers, speaking. E. A. Hartmann, president of the Hintzpeter field club, was toastmaster, introducing Ervin Hintzpeter, who was made up as Abraham Lincoln and delivered the Gettysburg address.

agency pledged production of \$1,750,000 for 1939.

The Des Moines branch of the New York Life honored its 70 agents and their wives at a banquet celebrating the writing of a million dollars of business in December. C. R. Graham, Des Moines, and J. J. Barton, Fort Dodge, were honored for 45 years' service. Charles Adams, agency director, was in charge.

Under the direction of W. L. Rawlings, Fort Worth, executive vice-president Educators Mutual Life, a sales conference for southern Texas was held in San Antonio. Plans were outlined for the development of an independent agency force and the supervision of such a force.

The Henry W. Laffer general agency of the Northwestern Mutual held a two day agency meeting at Wichita, Kan., addressed by J. J. Hughes, assistant director of agencies, and C. Q. Chandler, resident trustee and member executive committee. Mr. Laffer reported in December all records in volume and lives written and in number of agents producing business, were broken. Fifty agents wrote \$728,000.

Samuel I. Rosenberg, general agent in Baltimore of the Reliance Life for about 20 years, died after an illness of about eight months. Before going to Baltimore he operated the first motion picture and dance hall in Annapolis and Cambridge, Md. He also helped to organize the first volunteer fire department in Annapolis.

COAST

Bureau Warnings Helpful

SAN FRANCISCO — The Better Business Bureau's policy of warning the public against twisters and "counsellors" has done much good, and has prevented at least one case, involving more than \$100,000 insurance, from being "twisted" or depreciated, according to the annual report. Insurance purchasers received 474 reports from the bureau and a number of insurance organizations corrected statements in advertising material at the bureau's request.

Cashiers Groups Confer

Members of the San Francisco Life Agency Cashiers Association met with the Oakland cashiers Feb. 16 at Oakland. This was the first time the two groups have conferred on joint problems.

Cross on Coast Tour

C. F. Cross, second vice-president and manager of agencies for the Lincoln National, is now engaged in an extensive tour of western agencies. He visited the Chicago agencies and from there went to Phoenix, Ariz., where he met with the P. W. Aurell agency Feb. 13-15. He is now in Los Angeles meeting with the W. T. Shepard agency and will remain there until Feb. 22.

Mr. Cross' itinerary after leaving the Shepard agency will be: Sleeper-Web-

INDUSTRIAL FIELD NEWS

Lower Mortality on Industrial Holders

The Metropolitan Life finds that last year was a banner one as regards to mortality among industrial policyholders. The mortality rate was 7.7 per 1,000, an improvement of 6.8 percent over the previous year. Ten years ago the mortality rate was 9.2. The life expectancy in 1936 for industrial policyholders was 60.31 years or only half a year less than that of general population. The provisional figures for 1938 show that the figure is 61.86, a gain of 1.15 years in a single year.

The mortality record of industrial policyholders last year declined in every age range of life. The improvement has been greatest in the early ages. Tuberculosis registered a remarkable decline in mortality last year. The mortality from cancer, which had been fairly static during the previous three years, resumed its upward swing last year. The rate of 97.8 per 100,000 was the highest ever reported among Metropolitan Life policyholders. For the second year in succession deaths from heart disease have shown a decline. The drop of 4.1 percent in 1938 was the largest recorded in any single year since 1919. The death rate among the insured from automobile accidents dropped 17 percent. Deaths from alcoholism were the lowest since 1921. The high suicide rate of the current decade was recorded in 1932, at the very nadir of the depression. Then came four consecutive years in which suicides declined followed by slight rises in 1937 and 1938. The death rate from diabetes dropped last year for the first time since 1923.

William W. Dodgson Honored

Superintendent W. W. Dodgson of the Prudential at Hamilton, O., has completed 25 years of service.

He started as an agent in the Dayton, O. No. 1 district and was promoted to assistant superintendent seven years later. After five years as assistant superintendent, he was promoted to Covington, Ky., district in 1927, as superintendent, where he served until 1934, when he was transferred to the Hamilton, O., district.

At a testimonial dinner with 75 guests J. W. Whitla, division "G" manager, served as honorary chairman.

Great Southern Opens

MIAMI—Home office of the recently chartered Great Southern was opened

here in the Alfred I. duPont building. M. U. Moseley is president.

At first only hospitalization insurance will be offered, but it is the intention later to add an industrial life insurance department, President Moseley said.

Other officers are: H. C. Mordock, board chairman; R. H. Givens, Jr., vice-president; P. H. Buhler, treasurer, and J. M. Blankenship, secretary and home manager. Mr. Blankenship formerly was secretary-treasurer Mutual Insurance Company, Richmond, Va.

Frisbie Observes 30th Anniversary

Frank F. Frisbie, superintendent Wichita district office Prudential, observed 30 years of continuous service recently. He started in St. Louis as agent Feb. 6, 1909. He is past president Wichita Association of Life Underwriters.

A. W. Ek is Honored

The Imperial Life of Asheville, N. C., celebrated on Feb. 12, the birthday anniversary of its beloved and veteran secretary, A. W. Ek. He reached the age of 75 at that time, although he seems to be 55. He was born Feb. 12, 1864. He was one of the founders of the Imperial Life. During this month the agents in the field are producing in his honor. The special drive is for increased ordinary.

SALES MEETS

President Cleary Spoke

M. J. Cleary, president of the Northwestern Mutual Life, spoke to the E. A. Crane general agency at Indianapolis at a one-day agency meeting. L. J. Evans, assistant director of agencies, also spoke.

Davis Made President

At the closing session of the General Agents' Association conference of the Massachusetts Mutual at Palm Beach, Harry I. Davis of Atlanta was elected president. Other officers are C. K. Litchard, Springfield, Mass., and John F. Cremen, Washington, D. C.

The 17 leading salesmen of the San Antonio agency, with J. N. Fletcher, agency manager, held a one-day sales conference under the direction of F. D. Albritton, general sales director Great Southern Life, assisted by J. C. Cameron, vice-president and actuary. The

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With over One Million policyholders co-operating as partners, the Sun Life of Canada—a great international institution—ensures economic welfare for men, women and children in many countries.

Benefits Paid during 1938	\$ 83,400,004
Since Organization	1,205,707,349
Assets December 31, 1938	873,271,553
Liabilities (including capital \$2,000,000)	847,770,754
Surplus and Contingency Reserve	25,500,799
New Assurances during 1938	193,134,981
Total Assurances in Force	2,905,380,286

The Sun Life of Canada has maintained an active organization in the United States for over forty years. Its representatives are trained and experienced advisors, ready to give counsel and guidance on all standard plans of Life Assurance.

The total liabilities of the Sun Life of Canada in the United States are \$309,236,090.97. The net liabilities are fully covered by assets held in trust. The Annual Report will be mailed to all policyholders. Others may obtain a copy upon request.

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ASSURANCE COMPANY OF CANADA

HEAD OFFICE

MONTREAL

SIXTY EIGHT YEARS OF PUBLIC SERVICE

ber agency in San Francisco February 23-28; E. H. Small agency in Seattle, and the G. B. Schweiger agency in Portland during the first week of March; the T. B. Isaacson agency in Salt Lake City March 8-9, and the A. K. Underwood agency in Denver March 10-11.

Prouty Addresses Institute

Phineas Prouty, Jr., general agent Connecticut Mutual, spoke on "Life Situations" at a session of the Institute of Life Underwriting held in Los Angeles. His paid production is never less than \$700,000 and he is a life member in the Million Dollar Round Table.

Agents of the San Francisco office of the Phoenix Mutual Life have just completed a "21 campaign" in honor of the 21st anniversary of Manager C. W. Peterson as Phoenix Mutual agent and manager. A sales congress will be held later this month with Vice-president D. Gordon Hunter and Assistant Agency Manager J. A. Giffin on the program.

Consider Site for School

Lakeland and Tampa are competing to be the site of the Florida Insurance Agents Association and the Florida Life Underwriters Association schools. Chairman L. P. McCord of the educational committee of the fire and casualty organization lives in Tampa, which is strongly bidding for that group. E. M. Willis, new president of the life group, who takes office July 1 lives at Lakeland. There is a decided trend for having the 1939 schools on the west coast, the life executives already being committed to it. It is very likely decision of Chairman McCord's committee will not be made until the meeting of the National and State associations at Hollywood in April.

Claude F. Lee, Gainesville, Fla., spoke to the Tampa, Fla. Life Managers' Association on "Security" at the annual meeting.

NEWS OF LIFE ASSOCIATIONS

Boston Congress to Hear Big Speakers

BOSTON—Chairman Fitzhugh Traylor, general agent Equitable Life in Boston, has practically completed the list of speakers for the annual New England life insurance sales congress to be held here in the Copley Plaza hotel March 17. G. P. Smith, New York Life; P. C. Sanborn, Connecticut Mutual; Richard Partridge, New England Mutual, and Clement Deering, John C. Paige Co. office, are assisting.

The congress will open with a playlet in three acts, "Time Tells All," directed by Doane Arnold, New England Mutual home office.

Morning speakers will be R. P. Burroughs, general agent National Life of Vermont, Manchester, N. H., member Million Dollar Round Table, and Lester Rosen, Union Central Life, youngest member Million Dollar Round Table.

The luncheon will be in charge of the General Agents & Managers Association, with Chester O. Fischer, vice-president Massachusetts Mutual Life, as speaker.

The afternoon program will include Holgar J. Johnson, general agent Penn Mutual, Pittsburgh, president National association, and Isaac Kibrick, Brockton, New York Life, a member of the Million Dollar Round Table.

New York Congress to Be Held March 9

NEW YORK—A splendid program is offered at the annual sales congress to be held in Hotel Pennsylvania March 9, sponsored by the Life Underwriters Association of the City of New York. Lester Einstein is general chairman. There

will be morning and afternoon sessions.

The congress will be in the form of a question and answer forum entitled "What's the Answer?" with four panels. These, with the chairmen, will be: "Prospecting," Manuel Camps, Jr., John Hancock; "The Approach—How Do I Get the Prospect to Listen?" Horace H. Wilson, Equitable Society; "The Interview—How Do I Get Them to Buy?" Osborne Bethea, Penn Mutual, and Lewis C. Sprague, Provident Mutual, co-chairman; "The Prospect Talks Back—What Does He Think of Me?" Edgar Kobek, vice-president Lord & Thomas.

Each chairman will be assisted by six men skilled in the various branches for which they have been selected.

A contest for questions to end March 1 is being conducted with 125 prizes to be awarded. There also will be a grand prize.

The annual banquet will be held in the evening. Mr. Einstein is being assisted by Hubert Davis, Union Central, vice-chairman, and a number of committees.

Detroit Life Underwriters to Have Sales Congress

DETROIT—Eight speakers, four from out of the state, will be on the program of the annual sales congress of Qualified Life Underwriters March 15. J. H. Kennedy, Equitable Society, president, will preside.

Speakers will be J. A. Fulton, New York, president Home Life; H. J. Johnson, Pittsburgh, general agent Penn Mutual and president National association; Miss Alice Roche, Provident Mutual Life, Philadelphia, and Isaac Kibrick, Brockton, Mass., New York Life. A. A. Heald, manager Bankers of Iowa, is congress committee chairman.

Local speakers will be headed by Commissioner Gauss of Michigan, and will include Dale Kerr, New England Mutual, Jackson; H. B. Ruhl, Massachusetts Mutual, Detroit, and Frank Roulo, Penn Mutual, Detroit.

Mr. Johnson will also speak at a dinner meeting of the Associated Life General Agents & Managers the same day.

Indianapolis Diplomas Given

President H. B. Wells of Indiana University was the chief speaker at the graduation dinner where diplomas were awarded to 150 life men who completed a 12 weeks life insurance service clinic at Indianapolis. Insurance Commissioner Newbauer awarded the diplomas. The highest scholastic records were made by David Almos, Prudential; R. W. Hodson, Prudential; I. E. Douglas, New England Mutual; M. O. Burt, Prudential, and W. B. Eagleson, Marion, Ind., of the Franklin Life. "Rough Notes" offered special awards for the five highest pupils. The graduates were guests of the American United Life at dinner.

Hay Speaks at Waco

Sam R. Hay, Jr., Houston, Tex., president Texas Association of Life Underwriters, spoke before the Waco association. He reviewed the program of the state organization and urged that members attend the meeting of the Texas association at San Angelo, June 1-3.

Plans for Missouri Meeting

Three features have been planned for the annual meeting of the Missouri Association of Life Underwriters at Excelsior Springs in May. General agents and managers will meet May 4 in a selling conference. The state association will have its business session May 5 and the annual sales congress will be held May 6. In charge of the three-day event are Miss Helen Summy, president of the St. Joseph association, and P. B.

Turner, Kansas City president. The two groups are acting jointly as hosts.

Portland, Ore.—D. Gordon Hunter, vice-president and agency manager of Phoenix Mutual Life, spoke on "The Best Is Yet to Come." He was accompanied by James A. Giffin, assistant agency manager.

Northern New Jersey—Three meetings in Newark will be held under the supervision of Irvin Bendiner, New York Life. On Feb. 20 he will discuss "The Problem to Be Solved by Life Insurance." On March 13 he will discuss how a prospect reacts to a sales presentation and on April 17 he will talk on the salesman.

Mason City, Ia.—James Rutherford, Des Moines, president of the Iowa association, said the life insurance agent helps to maintain the democracy by helping to maintain the middle class and by guaranteeing family security.

St. Louis—J. H. Wilson, trustee National association and agent Massachusetts Mutual, Peoria, Ill., was principal speaker at a luncheon meeting Feb. 18 talking on "Methods for Getting Business." Miss Margaret S. Coons, Equitable Society, at a meeting of the women's division was elected chairman.

Indianapolis—In the 12-week life insurance service clinic sponsored by the association and the General Agents & Managers Association, 150 life underwriters were awarded diplomas at special exercises held in the American United Life auditorium. Dr. H. B. Wells, president Indiana University, was principal speaker. Others on the program included Commissioner Newbauer and E. M. Spence, Provident Mutual Life, chairman faculty committee.

Boston—William P. Worthington, superintendent of agencies Home Life of New York, spoke on "Programming."

Springfield, Mass.—Max C. Fisch, assistant secretary Metropolitan Life, spoke. Fern D. Haselton, assistant superintendent of agencies Mutual Benefit Life, will direct an open forum Feb. 17.

Burlington, Vt.—Dr. Hiram Upton spoke on "Some Medical Aspects of Life Insurance Examinations."

Peoria, Ill.—Approximately 125 attended the annual stag party.

St. Paul—"Programming Life Insurance for the Average Family" will be discussed by Sara Frances Jones, Equitable Society, Chicago, at a meeting Feb. 17.

Des Moines—Miss Helen Summy, Equitable Society, St. Joseph, Mo., spoke on "The Professional Aspect of Life Underwriting." She is chairman women's quarter-million round table National association.

San Francisco—J. M. Gantz, general agent Pacific Mutual Life, Cincinnati, will be the principal speaker, Feb. 23, on "How Life Insurance Can Be Merchandised." H. K. Cassidy, general agent for the company in San Francisco and program chairman, is in charge of arrangements.

Toronto—C. J. Zimmerman, Chicago general agent Connecticut Mutual and vice-president of National association, spoke.

Ohio—Bruce Barton, New York advertising man and member of Congress, will speak at the annual convention to be held in Columbus May 2-3.

Reading, Pa.—The one underlying quality that distinguishes the big producer from the ordinary fellow in life insurance is enthusiasm, W. M. Rothaermel, vice-president Continental American Life, declared in a talk at the monthly meeting here. "The big producer has thrown his whole heart into life insurance as a career, and the fact is obvious because of his genuineness of spirit," said Mr. Rothaermel. He also stressed the importance of self-organization.

Richmond, Va.—Holgar J. Johnson, president National association, and general agent at Pittsburgh of the Penn Mutual, will be guest speaker at the Feb. 28 luncheon-meeting.

Commissioner McCormack of Tennessee, learning from court attaches that in general sessions court alone 40 cases have been filed recently to collect cash surrender value of life insurance policies, declared such methods of collection unnecessary and warned that attorneys or adjusters demanding a share of amounts due on such policies will be prosecuted.



**JUST ONE STEP
to prosperity!**

*A typical experience record which illustrates how the "Golden Rule Contract" boosts an agent's earnings in a given territory.

He is a young man twenty-four years old, just finishing his second year in the business. In addition to his own substantial volume of personal production on which he earned liberal first year commissions and vested renewals, he appointed one new agent. This new appointment yielded him an increase of 25% in his renewal account and an increase of \$136.00 in his cash bonus.

He has taken the first step toward permanent prosperity. By repeating this performance for a few years he will have established a small agency of his own, yielding an income that will eliminate future depressions.

*Name furnished to those interested in this contract.

The COLUMBUS Mutual Life
INSURANCE COMPANY
Columbus, Ohio

AGENCY MANAGEMENT

Personal Selling Good Tonic for Agency Recruiting

When the recruiting program in an office goes stale, the best medicine for the agency head and his assistants to use is to go out personally, sell a few policies and find out again that people are paying money for life insurance, W. V. Woody, Chicago agency manager Equitable Society, told the General Agents & Managers Association there in a talk on recruiting this week. He said the principal ingredient in any recruiting program is action. Every agency at one time or another will find that it must recruit, he said. New men are the mortar and bricks of which the structure is built.

Mr. Woody said the type of recruiting depends upon the location of the agency. His first recruiting job was in eight counties and was entirely different from that in Chicago. In the country districts men that were recruited were sufficiently separated that they did not interfere with each other.

Types Chosen Are Important

In the cities much closer attention must be paid to the types selected. Managers and general agents must be careful not to select men who will upset the other producers. That is, they must be of types that will get along with the other agents, and also with the assistant managers as well as manager. Mr. Woody said he thinks many agencies hurt the business by recruiting without a sufficient selection process.

As to type, the Woody agency to start with has no woman producers. That decision was made because Mr. Woody said he felt to introduce women in the agency would disrupt the men agents. Prospective agents are found through older agents, the assistant manager and the manager himself. The older agents are told that they have enjoyed the benefits of the life insurance system and now they must pass them along. To this end, after an agent has been contracted, the older agents are induced to go out with him in joint work. In the Woody agency this always means 50-50. Mr. Woody does not believe in doing gratuitous work for new agents. This serves to upset older agents who feel that they are entitled to more consideration.

Veterans Help Novices

The older agents help the new agent prepare lists of persons he would like to sell, going over his acquaintances in clubs, associations, church, fraternities, etc., business concerns with which he previously has worked, and other contacts. Mr. Woody likes to do his recruiting among men in successful business concerns, as when they are contracted they can turn around and sell their old associates. This gives them an initial list of prospects that is valuable.

Another source of leads for agency prospects is businesses adversely affected by the times. The best agents, Mr. Woody said, will be hired by the best contacts. It is only natural that the agency head and his immediate assistants will be able to secure better agents because they make a point of moving in better circles. The agency prospects will come from a stratum slightly below that of the one doing the selecting.

Record Shows Sources

Mr. Woody maintained a record over the last five years showing the source of new agents in his office, finding 70 percent came through the manager and assistant managers, 25 percent were referred by the other agents in the office and 5 percent by other sources.

With the purpose of selling agency prospect on the business, the manager and his assistants have learned three pre-

pared talks, one on the business, another on the agency and the third on the company. The Woody agency uses the Steward tests with success.

Mr. Woody concluded that most people who start life insurance selling are out of funds. Financing by the manager or general agent is a very poor way to start a new agent on the road to success, he said. The best way is to make some money for the new agent as soon as possible, and this can best be done by sending him out on 50-50 joint work with the manager, assistant manager and older agents.

J. H. Brennan, manager Fidelity Mutual Life and membership chairman Chicago Association of Life Underwriters, presided, announcing association membership was 1,742.

Legislation and Taxes Discussed

DENVER—Legislative and inheritance tax matters were discussed at the meeting of the Denver Managers Association.

Kenagy Gives a Talk

H. G. Kenagy, superintendent of agents Mutual Benefit Life, spoke before the General Agents & Managers Association of northern New Jersey on "Long and Short Range Planning from an Agency Standpoint."

MANAGING MEN Tell It Simply!

By A. R. Jaqua, Associate Editor
DIAMOND LIFE BULLETINS

The test of a sales talk or an advertisement is whether it sells. What you or I or the general agent or home office thinks of a presentation matters not at all; what does your typical buyer think of it? Does it sell him?

From information gathered by the U. S. Department of Interior's office of education the educational background of everyone over 18 years of age 82,200,000 persons in all, is as follows: Grammar school or less, 49,590,000; incomplete high school, 15,130,000; high school, 6,100,000; incomplete college, 4,900,000; illiterate, 4,100,000; college, 2,380,000.

The problem of the man who is constructing a prospecting talk or an approach or a sales presentation is to project himself into the minds of the 80,000,000 people who are possibly less intellectual than he is, remember that 68,730,000 never completed high school.

To understand and know this mass mind is no simple matter. To interpret what to do about it is a still greater problem.

The great successes in merchandising, in advertising, in selling, in politics, are made by men who have the common touch, who can say important things simply, who know that Harvard alumni can be approached on an intellectual basis but that group audiences are moved only by the emotions.

Recently two underwriters called upon a prospect. One of them made a masterly presentation of life insurance for the man's family. The prospect said he couldn't afford it, didn't need it and wouldn't have it. The other agent said: "From what I can see, you don't want any more life insurance but you do want something to take care of that \$3,000 mortgage of yours so your family can have the house. Is that right?"

"Sure," said the prospect. "My

brother has one of those, but I don't want any more life insurance." And in three minutes there was a prepaid application for \$3,000 of ordinary life.

An underwriter who has sold \$60,000 in the last 60 days says that even his type of prospect doesn't want to think too hard, doesn't want anything too complicated, doesn't want to spend very much money. This underwriter sells by deciding in his own mind which particular insurance situation or package will be most appealing to the prospect, and then selling him in the shortest possible time that it will solve that one problem.

It is unfortunate that a genius has not come forth to do life insurance advertising. We greatly need someone who can say things simply. We need someone who can interpret life insurance to grammar school graduates. We desperately need and could afford to pay almost any price for a man who knows thoroughly all that life insurance is and what it can do, and who can then forget all the big words and interpret the service of life insurance to the \$35 a week man who has had two years in high school and lives down across the railroad tracks.

Because we all like big cases and because big producers are more vocal than small producers, it is easy to go Fifth avenue and country club, forgetting Main street and the public park.

If the 69,000,000 persons who have never completed high school really understood what life insurance could do for them, we wouldn't have to worry about any investigations or clever answers to objections or subterfuge approaches. Oh Lord! send us a few men who can tell the truth about life insurance; tell it simply, tell it enthusiastically, tell it with feeling, tell it so those who run may understand!

AGENCY NEWS

Houston Agency Is Feted

The Houston city agency of the Great Southern Life was given a banquet, since at the close of each year the company puts in competition a so-called "finishers' cup" awarded to the agency with the best December production record. Sam R. Hay, Jr., is manager at Houston and the organization produced 182 percent of its quota. It nosed out the San Antonio agency, the hottest competitor. Honor guests were Ossie Carlton and Carey Selph, each of whom produced in excess of \$1,000,000 last year. Practically every one in the agency exceeded his quota. Altogether 29 agents wrote \$7,035,009 of business. President E. P. Greenwood presented the cup and Executive Vice-president L. F. Adams congratulated the agency on what had been accomplished. General Sales Director F. D. Albritton outlined plans for the year.

Van Vliet Agency to Move

NEWARK—Due to the increased business of the Prudential's home office ordinary agency, of which E. N. Van Vliet is manager, it will move about Feb. 25 from the fourth floor of the National Newark & Essex Bank building to larger quarters on the 11th floor. There will be a house warming the next week. F. M. Minninger, Jr., manager Newark branch Connecticut General, talked on "Romance in Figures" before the agency.

Says Sound Credit Needed

MONTREAL—Unity among Canadian provinces and maintenance of a solid Canadian credit structure were stressed as prime needs by T. A. Bradshaw, president North American Life, Toronto, in an address at the annual dinner of the Quebec division. He has just completed a tour of Maritime Provinces. J. D. LeMoine, manager Quebec division, presided.



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Dayton, O.

Property Management and Sales

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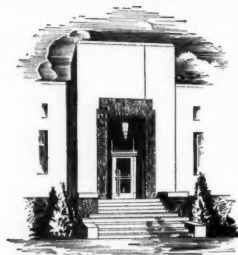
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LEGAL RESERVE FRATERALS

Wisconsin Congress Makes Amendments

The Wisconsin Fraternal Congress at a special meeting in Milwaukee Saturday amended its constitution and by-laws for the first time since 1913. Its objects were more definitely stated, being: "To uphold the constitution and by-laws of the National Fraternal Congress and to assist in its many objectives. To advance the fraternal system in Wisconsin and to promote and support legislation fair to fraternal societies; to increase the friendly spirit among the affiliated societies of the Congress and to promote a spirit of mutual helpfulness." Each society shall be entitled to three representatives at a meeting and have three votes on all matters before the congress. Formerly each society had only one vote. Two regular meetings are now required each year in January and June instead of one meeting each year. The next regular meeting is to be held at Neenah, Wis., during June.

Lutheran Brotherhood Is Changing Its Options

Settlement options of the Lutheran Brotherhood on a changed basis have been approved by the directors. These options for proceeds of life policies will be applicable after April 1. All policies issued prior to April 1, as well as all requests received prior to April 1, for

options on existing policies, will be issued on the present table. Values for females are shown four years higher. Illustrative options on the new basis at quinquennial ages are:

Life Income with Period Certain									
Age near-est birth-day when procds. are due	10 yr. cert.	20 yr. cert.	30 yr. cert.	40 yr. cert.	50 yr. cert.	60 yr. cert.	70 yr. cert.	80 yr. cert.	90 yr. cert.
Male	Pyt.	Pyt.	Pyt.	Pyt.	Pyt.	Pyt.	Pyt.	Pyt.	Pyt.
10	3.22	37.94	3.18	37.52	...	...	...	...	...
15	3.33	39.28	3.29	38.75	...	...	...	...	...
20	3.46	40.80	3.41	40.15	3.37	39.68	...	...	...
25	3.62	42.67	3.55	41.83	3.51	41.34	...	...	...
30	3.82	44.95	3.72	43.32	3.68	43.34	...	...	...
35	4.07	47.78	3.92	46.17	3.90	45.77	...	...	...
40	4.37	51.26	4.15	48.89	4.15	48.73	...	...	...
45	4.74	55.57	4.41	51.94	4.47	52.34	...	...	...
50	5.20	60.87	4.69	55.19	4.86	56.78	...	...	...
55	5.76	67.31	4.96	58.41	5.34	62.87	...	...	...
60	6.42	74.94	5.19	61.24	5.95	69.09	...	...	...
65	7.16	83.57	5.36	63.35	6.71	77.64	...	...	...
70	7.92	92.63	5.46	64.58	7.68	88.38	...	...	...
75	8.62	101.05	5.50	65.10	8.91	101.98	...	...	...
80	9.15	107.60	5.51	65.24	10.50	119.15	...	...	...
85	9.45	111.56	5.51	65.26	12.57	141.11	...	...	...

Fraternalist on Pardon Board

NEENAH, WIS.—Dio W. Dunham, editor Equitable Reserve publication, "Friend & Guide," a former newspaperman of Oshkosh, has been appointed a member of the new Wisconsin state board of pardons by Governor J. P. Heil.

Three Confer with Yetka

ST. PAUL—H. L. Ekern, president Lutheran Brotherhood; George G. Perrin, general counsel, and W. C. Jackson, state manager Modern Woodmen, conferred with Commissioner Yetka of Minnesota on legislative matters.

Lutheran Brotherhood Figures

The Lutheran Brotherhood of Minneapolis in its new statement shows mortality ratio 25.76 percent as compared with 24.38 the year before. It paid death claims \$148,242. The average rate of interest is 4.41 as compared with 4.31 a year ago. Its solvency ratio is 110.84 percent. Its surplus is \$849,938 compared with \$706,961. Its insurance in force increased from \$4,237,428 to \$65,334,512. The assets are \$7,523,063, increase \$1,214,303. It paid dividends last year \$214,095.

Claims Fee in Reorganization

LINCOLN, NEB.—Harold T. Holloway, insurance man, has filed suit for \$15,000 against the Royal Highlanders and its president, William E. Sharp. He says that this sum was agreed upon in consideration of his working out a plan by which the Highlanders, in 1937 a fraternal, could be transformed into mutual.

Forbidden to Write Infants

LITTLE ROCK, ARK.—Fraternalists operating in Arkansas may write policies for persons from one year of age to 60 years, but are not authorized under the law to write insurance on infants under one year. A ruling to this effect was given the insurance department by the attorney-general.

Royal Highlanders Report

LINCOLN, NEB.—Royal Highlanders Mutual Life total funds exceeded \$4,850,000, of which nearly 2 millions are invested in bonds, 2½ millions in real estate loans, and policy loans \$302,000. President Sharp reported at the annual meeting.

Shaner Idaho Manager

C. M. Shaner has been appointed Idaho state manager of the Modern Woodmen. He was the district manager in Idaho since Sept. 1, 1925, until his recent appointment.

Praetorians Manager Killed

ATLANTA—L. M. Hanks, Georgia manager Praetorians, was shot to death in his office here by D. A. Pledger,

whom he had succeeded in the office. Pledger after also wounding Mrs. L. H. Barfield, cashier, turned the gun on himself and is in critical condition. Hanks was the son of J. P. Hanks, district manager of the Praetorians at Montgomery, Ala.

A bill has been introduced in the Ohio house permitting policyholders of a fraternal to name a beneficiary in case of death of the original beneficiary.

Albert Smith Is Leader in Volume, Persistency

Albert Lee Smith, Alabama general agent Jefferson Standard Life, recently elected president of the Julian Price Club, has an unusual personal production and conservation record.

He has the highest renewal record on the largest volume of first and second year business exposed 1938. In the past 14 years he has had a perfect renewal record for six years. He has written more than \$250,000 each year and one year \$750,000.

Mr. Smith joined Jefferson Standard 28 years ago and has been a member of the Julian Price Club since it was founded in 1924. His agency four times since 1924 has won the loving cup awarded each year to the agency having

highest renewal record on first and second year business exposed, winning it the last two years straight. Mr. Smith comes of an insurance family, his father, A. D. Smith, with whom he formerly was associated in the fire insurance business, being head of the Smith, Hamilton & Smith agency, Birmingham, and a brother, Mell, being in the fire insurance business.

Bankers of Nebraska Annual Parley

A hundred and thirty qualified agents and their wives attended the annual agents convention of the Bankers Life of Nebraska which was held at Lincoln for two days, Feb. 9 and 10.

Of the 46 Bankers Life general agents, 26 exceeded their quotas and won cups presented by President H. S. Wilson. A special session for general agents and two daily sessions were devoted to discussion of new company plans and policies and to sales programs. C. Petrus Peterson, general counsel, was principal speaker at the banquet. V. A. Marshall of Fairbury and Carl Lutz of Marysville, Kan., were specially honored for 1938 work, the former as head of the agency with largest production and Lutz for personal production results. I. L. Devoe, agency manager, presided at the convention. General agents reports were generally optimistic.

What Is Legal Reserve Fraternal Life Insurance?

(This is the third of a series of advertisements outlining briefly a few characteristics of this type of protection—points that may not be generally understood by the otherwise well informed and intelligent fraternity of life insurance executives and salesmen.)

- Legal reserve fraternal societies use the open contract which proved to be the most satisfactory for policyholders or members during the stress of depression years when all claims based upon the so-called open contract were paid in full.

Like the record made by the legal reserve fraternal as a whole, it was never necessary for the Ben Hur Life Association to borrow money from the government or any other source to meet all cash demands.

BEN HUR LIFE ASSOCIATION

Established 1894

Home Office: Crawfordsville, Ind.

John C. Snyder,
President

Edwin M. Mason,
Secretary

PROTECTED HOME CIRCLE SHARON, PA.

FOUNDED IN 1886

A Legal Reserve Fraternal Insurance Society

S. H. HADLEY Supreme President

L. D. LININGER, Supreme Secretary

SHARON, PA.

WOODMEN OF THE WORLD

Five Modern Legal Reserve Contracts

- Ordinary Life
- Twenty Payment Life
- Endowment at Seventy
- Twenty Year Endowment
- Family Income

These contracts are participating, and provide all standard non-forfeiture options.



Operating for almost fifty years in California, Oregon, Washington, Colorado, Idaho, Montana, Nevada, Utah, and Wyoming.

Write for particulars to

PETER F. GILROY, President
1447 TREMONT PLACE
DENVER, COLORADO

THE WOMEN'S BENEFIT ASSOCIATION

Founded 1892

A Legal Reserve Fraternal Benefit Society
Bina West Miller Supreme President
Frances D. Partridge Supreme Secretary
Port Huron, Michigan

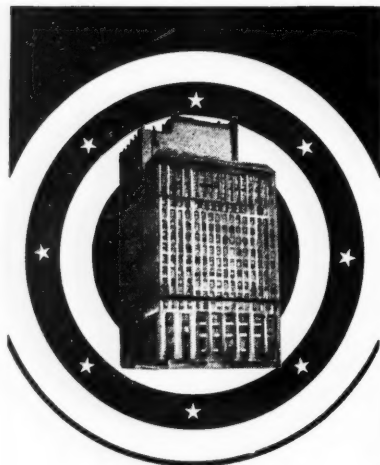


PROVIDENT LIFE INSURANCE CO.

Essentially a policyholders' company, reared to sound maturity on the principles of conservatism and safety. A steady gain in each of our 22 years, tells its own story.

General agencies are available to responsible representatives in North Dakota, South Dakota, Montana, Idaho, Washington, and Oregon.

Home office—Bismarck, No. Dak.
Western office—Portland, Ore.



General Agency
OPPORTUNITIES
for good personal
producers

Central Life
INSURANCE COMPANY
of Illinois

ALFRED MacARTHUR, PRESIDENT
211 WEST WACKER DRIVE, CHICAGO

Phillips Outlines Obstacles Ahead

(CONTINUED FROM PAGE 6)

Life insurance, he said, can look back over the past 25 years with more satisfaction than any other major industry. It stands higher in public esteem than at any other time in its history. It came through the war without impairment. It passed through the boom days without losing its balance. It never got on a boom basis. The average annual rate of growth was only eight percent. It withstood the collapse of the boom, and while sound today must not hesitate to tackle and solve the problems that are crying for solution.

* * *

Chairman E. W. Randall was unable to take the convention trip. A special message from him was read at the dinner.

* * *

In addition to the four chief officers there were present from the home office Dr. T. H. Dickson, medical director; A. D. Harmer, agency secretary; E. P. Bragdon, group manager, and F. C. Hansen, sales promotion manager. Also on hand were A. Howard Blanton, Columbia, S. C., superintendent of agents, and H. F. Beckham, Dallas field manager.

Consideration Given Company Witnesses

(CONTINUED FROM PAGE 1)

testimony was brought out tending to show that agents felt themselves to be under pressure to get the signed ballots back by a certain date, there was no attempt to insinuate that the ballots were sought by the management with a view to giving it an unfair advantage in the elections.

On the contrary, the committee brought out clearly that there had never in 30 years been an opposition ticket and that since by election time the opportunity to present an opposite slate in accordance with the insurance law governing such elections had gone by, a single ballot would have elected an official slate. The collecting of signed ballots made absolutely no difference in the outcome of the election.

Other Motivation Too

Of course, the Securities & Exchange Commission had motivation in addition to its wish to play fair in taking this attitude. The SEC is trying to prove that the big mutual companies are so enormous that it is possible for practices to grow up in the field of which the officers are entirely ignorant.

From a life company standpoint, the SEC's youthful counsel, Gerhard Gesell, is necessarily the villain of the show. Gesell is a large young man whose ruddy face would be almost cherubic if it were not for the habitual earnestness of his expression. In actual appearance he is considerably less youthful looking than his pictures make him.

Must Make Showing

As the SEC's examiner and on his own account it is up to him to make a showing, although the SEC and the monopoly committee are in a position to curb any tendencies he might have toward butchering life insurance executives in order to make newspaper headlines. At the same time, Gesell is the SEC's bloodhound. Chairman Douglas of the SEC and Senator O'Mahoney cannot be all the time pulling up Gesell on a short lead and still expect him to do the job for which he was hired.

Consequently, despite the committee's repeated intimations that nobody is going to get bitten, company men do not feel entirely easy when Gesell is asking even his apparently routine and innocuous questions. His method is to keep droning along with questions that even the general public ought to be able to

Savings Bank Insurance Classed

A number of states are having introduced in their legislatures savings bank life insurance bills similar to statutes enacted in Massachusetts and New York. Massachusetts has 25 savings banks with life insurance departments. The law gives any resident the opportunity of buying \$1,000 insurance from each of the banks that have an insurance department, making the maximum \$24,000. The New York law has set a maximum of \$3,000 to one individual. The following table shows details of the \$154,788,000 insurance in force in Massachusetts savings banks as of Aug. 31 last.

The compilation is made by the "Diamond Life Bulletins."

Volume	Amount	No. of Groups	% of Total Persons	Cumulative Total
\$11,013,000	\$ 500	22,026	26.79	26.79
40,797,000	1,000	40,797	49.62	76.41
1,831,500	1,500	1,221	1.49	77.90
13,170,000	2,000	6,585	8.01	85.91
1,330,000	2,500	532	.65	86.56
10,026,000	3,000	3,342	4.06	90.62
311,500	3,500	89	.11	90.73
4,648,000	4,000	1,162	1.41	92.14
274,500	4,500	61	.08	92.22
13,590,000	5,000	2,718	3.31	95.53
159,500	5,500	29	.04	95.57
352,200	6,000	587	.71	96.28
91,000	6,500	14	.02	96.30
2,093,000	7,000	299	.36	96.66
337,500	7,500	45	.06	96.72

answer and then to ask, with exactly the same intonation, a question designed to be highly disconcerting, though perhaps on the surface even more simple than the preceding ones.

Method Is Effective

Mr. Gesell hasn't the experience, the years, or perhaps the temperament to be the flashing, slashing type of inquisitor. His method is probably highly effective nevertheless, for the appearance of a witness whose manner is changed from serene confidence to helpless floundering by an apparently innocent query must produce a damaging effect in the eyes of the committee. It was with this type of technique that Gesell had the great J. P. Morgan reduced to confusion in the SEC's inquiry into the Richard Whitney scandal. After a series of unimportant questions, Gesell asked one which sounded almost equally innocuous. "Mr. Morgan," queried Gesell, "why is your firm a member of the stock exchange?"

Taken aback, Mr. Morgan stammered something about having to consult his counsel and the point was obviously one for Gesell. That the man regarded as

one of the greatest financiers of the nation couldn't say right off the bat why his firm belonged to the stock exchange tickled the popular fancy and added nothing to the Morgan public stature.

Announce Bureau School Schedule

The Sales Research Bureau has released the schedule for the 1939 series of schools in agency management. The first will be held in Atlantic City April 24 to May 5, the second at Chattanooga, June 12-23, and the final session in Chicago, July 17-28.

Although much new material resulting from bureau research is added to the school curriculum each year, 1939 schools will have several completely new "hours" which have recently been developed. Included are "Developing a Sales Plan," "Agency Planning," "Improving Work Habits," and additional material on "Recruiting."

T. A. Slick, treasurer of the Security Mutual Life of Nebraska, has been elected to head the Lincoln community chest drive for 1939, with Vernon Thompson, agency manager Midwest Life, as an aide.

Annual Renewable Term

Experience has shown that the regular forms of life insurance are the most desirable for the average policyholder. However, there are some prospects who insist on buying Annual Renewable Term Insurance. To serve them we have added the Annual Renewable Term Policy to our sales kit.

The Manhattan Life

INSURANCE COMPANY

Founded 1850

120 West 57th Street
New York City, N. Y.

The Columbia Life Insurance Co.

Cincinnati, Ohio

36 Years in OHIO, INDIANA, KENTUCKY

All forms of life policies issued—Juvenile one day up, adults, 10 to 75

LIBERAL COMMISSIONS

LONG TIME RENEWALS

Write for particulars: WM. H. WEST, Vice-President

Sales Ideas and Suggestions

Supervisors Should Budget Time for Efficiency

How many agency supervisors "practice what they preach?"

This was the question asked recently at a meeting of the Life Supervisors Club of Chicago. It was pointed out that it is the job of the supervisor to get agents to make the most of their time by careful planning, but it was also brought out that many supervisors do not follow any time schedule themselves.

For supervisors who are destined to become general agents careful time scheduling is necessary. A primary requirement of a general agent is that he be able not only to direct his men, but also to plan his own time efficiently. Time to the general agent means money.

Another important reason for the supervisor to "practice what he preaches" is his need for personal production. Few supervisors are employed on a full time basis. Consequently their salaries from the agency are not sufficient for them to give their entire time to supervising the work of the men. They must supplement the salaries with personal production. This is largely based on the theory if a supervisor to have the respect and control of his men, he must be a good personal producer.

Few Have Time Schedules

Inquiry has revealed that few supervisors have definite hours for their working day in which they devote all their time to specific jobs. The main job of the supervisors, of course, usually involves the following:

- (1) Recruiting.
- (2) Training
 - (a) Old men,
 - (b) New men.
- (3) Supervision
 - (a) Old men,
 - (b) New men.

While the job of supervising varies according to the size of the office, most of the work usually relates to the training and recruiting of new men. In agencies where there are a fair number of supervisors, probably three or more, the job of recruiting, training and supervising old and new men is split up among the different supervisors, although they usually have a hand in all three phases of the work.

Most supervisors who do follow schedules have found that they could not be followed to the letter because the work dovetails closely.

Schedules Vary

One supervisor tries to do, what is in his estimation, one new constructive thing every day. This may pertain to recruiting, personal production or working out some method of supervising the men better. He reports to his boss every morning what he did each day. He maintains office hours from 9 to 10 in the morning and from 4 to 5 p. m. During this time his men may come to him with their problems. The remainder of his time is spent in personal production, recruiting and being with centers of influence.

Another finds that training of new men takes up three and a half days per week. He spends Monday, Wednesday, Friday and Saturday at the office training new men. All day Tuesday is spent in personal production and Thursday is spent recruiting.

One successful supervisor makes out a report the Saturday before of how he wants his record to look on the following Saturday. In setting up this pre-

liminary report, he puts down the volume he wishes to obtain, what he wishes to accomplish in regard to the agency program, and what he intends to do so far as recruiting and using centers of influence is concerned. During the week he crosses off that which he has accomplished.

It is his opinion that most supervisors spend too much time with their men. It is a common tendency for people to sit and talk if you let them.

While work schedules must be used by supervisors if they are to do an intelligent and progressive job it is true that the type of schedule that may fit the needs of one man may not fit another. However, the following rough program could probably be used:

- (1) Plan out your work each week, setting forth what you would like to accomplish.
- (2) Work out a definite time schedule, setting aside certain periods for the following:
 - (a) Conferences with new and old men.
 - (b) Recruiting.
 - (c) Training.
 - (d) Agency production.
 - (e) Personal production.

A good point to remember in working out such a program is that many of the people that the supervisor would like to contact and usually does contact in the evening, are probably available on Saturday morning. It must be remembered that many offices are not open now on Saturday. The wide awake supervisor will take advantage of the opportunity that is offered by this fact if he has prospects on his personal production, recruiting, or center of influence lists who do not work on Saturday.

Seeking the Prospect's Viewpoint

John F. Herdic of the Hughes agency of the Massachusetts Mutual in Chicago has worked out a series of questions and he refers to them from time to time, putting himself in the place of the prospect, answering the questions from the prospect's standpoint. They are:

1. What will happen if your beneficiary survives you but does not live to get the proceeds of your life insurance? Who will get it? Are you sure?
2. Have you avoided the possibility of any of the proceeds passing through the probate court? Have you provided for unborn children?
3. Have you inserted the provision which will prevent creditors of your beneficiaries from seizing your insurance proceeds?
4. What amount of monthly income will your beneficiaries receive from the proceeds? For how many years?
5. Is your plan for the distribution of the proceeds flexible enough to take care of emergencies?
6. Have you unintentionally disinherited any of your children? Your grandchildren? Are you sure?
7. Have you provided an income for the entire period that you may be disabled by sickness or accident? Is this income

sufficient for your minimum needs?

8. Have you protected the proceeds from your creditors if you die insolvent? Bankrupt?

9. How fast is your equity, your retirement fund growing—how much larger this year than last? Do you know? What income for life will it guarantee you at age 55, 60 or 65?

10. Have you considered all the possibilities for liquidating policy loans?

11. Can your creditors, now or later, seize the growing equity in your life insurance?

12. What dividends are your policies paying? Are you being penalized because of certain provisions which reduce the rate of the dividends payable to you?

13. To what extent is your general estate subject to taxation? Will any of your property have to be sold to furnish cash to pay these taxes? How much of a loss will your estate suffer by such a forced sale? Have you considered the methods for reducing these taxes?

14. To what extent is your life insurance subject to taxation? How much shrinkage will result after administration costs, legal fees, etc., have been paid? Have you eliminated as many taxes as possible?

Interviews by Telephone

About 90 percent of the interviews come from telephone appointments. A telephone call is preceded by a pre-approach letter or advertising leaflet accompanied by his calling card. Mr. Walthall makes use of lists of members of various groups or organizations extensively. In a list of 400 or 450 names, he finds that there are about 75 or 80 good prospects. On a large group, he

finds that there is some change in the status of from 5 to 8 percent of the names on the list each month. It pays him to go over the list continuously in order that it is kept up to date. In using such a list Mr. Walthall has the names qualified by a number of centers of influence.

Probably most agents give up using the telephone when they first start out selling too soon, before they have had the experience to develop their telephone technique. Through its constant use, Mr. Walthall now secures an appointment with very few calls, and in several cases closed the prospect over the phone without having previously known him.

Mr. Walthall believes that 90 percent of his results are due to prospecting and the use of the telephone and 10 percent to selling. He uses a simple program in selling. In 1938, his average case ran a little better than \$5,000.

Programs Divides Itself in Two Parts

Hay Langenheim of the Gastil agency of the Connecticut General in Los Angeles, in its bulletin, takes up the subject of programming, saying that it divides itself into two parts, first, the technique of approach to the point where one begins to collect factual information, and secondly, the technique of getting factual information fully and completely and setting up on an actual concrete basis the prospect's minimum financial requirements.

Under the first phase, viz., the approach, he says there are eight steps, three to be taken before an agent sees the prospect and five to be taken when the agent sees him. 1. Secure pre-approach information. 2. Secure a letter or personal introduction. 3. Arrange the interview by appointment. 4. Tell the prospect why you have come. 5. Tell him what you can do for him. 6. Arouse his interest in getting your report. 7. Remind him of your thorough investigation of the situation before you call. 8. Stress the point that you desire to put him in a position to judge the benefits for himself.

Under the second phase, that is, getting the facts, there are six important steps, he finds. 1. Give your reasons for getting the facts. 2. Get the exact requirements. 3. Get the exact measurements of the prospect's present property. 4. Find out what he expects to accumulate between now and the time he retires. 5. Arrange for your next interview, presentation to be made in his office and sufficient time set aside to go into the entire case thoroughly. 6. Get out without further delay.

In Mr. Langenheim's opinion that period beginning when the agent first gets the name of his new prospect and ending when he walks away with his policies and all necessary data is the most important one of the entire procedure of selling life insurance. At no other time, he declares, is the agent called upon to use more observation, skill, tact in every word and action.

Tribute to Life Insurance

Mrs. Elinore Herrick, New York regional director of the National Labor Relations Board, paid a compliment to the life companies and agents in a speech broadcast over Station WMCA in New York. She said in part: "That deep sense of security, the knowledge that money has been set aside not only for a rainy day but for old age and, of course, the knowledge that should the worst happen, the family will be taken care of, is a precious achievement in a democracy such as ours."

FACT FILE INFORMATION

Mortality on Large Risks

Best mortality is on policies of less than \$10,000. One company showed 185 percent of normal loss ratio on those carrying \$400,000 or more in all companies. Combined experience of 30 companies up to 1930 showed 169 percent of normal loss ratio on \$1,000,000 and over policyholders. Source: J. M. Laird, Connecticut General N. U. 10-7-38.

NEWS ABOUT LIFE POLICIES

By JOHN H. RADER

New Policies, Premium Rates, Dividends, Surrender Values, and all Changes in Policy Literature, Rate Books, etc. Supplementing the "Unique Manual-Digest" and "Little Gem." Published Annually in May and March respectively. PRICE, \$5.00 and \$2.50 respectively.

Retirement Policy Premium Revised

The Equitable Society has injected a new idea into retirement insurance by providing a reduced premium during the first two years before dividends begin. On the retirement income at 65 policy the first two years are 10 percent lower than succeeding years and the retirement at 60 contract, 7½ percent. Another new contract is the special protection which combines ordinary life and term like the old special income but in this case, proceeds are payable in cash at death.

Premium Rates Per \$1,000 (Participating)

Age	*Retirement Income		†Special Protection	
	Age 60	Age 65	Age 60	Age 65
10	\$24.12	\$20.68	\$25.69	\$21.78
15	27.82	23.39	29.73	24.71
20	32.60	26.81	35.02	28.56
25	39.00	31.38	42.13	33.52
30	47.85	37.40	52.01	40.17
35	60.69	45.95	66.41	49.39
40	80.56	58.09	88.00	62.76
45	114.79	76.83	126.36	83.48
50	108.80	119.15	119.15	119.15
55			119.15	119.15

†Comb. ordinary life and term insurance, \$1,000 death benefit during term period (25 years on issues up to age 40; age 41 and over term insurance expiring at 65) thereafter \$422.30, at reduced rate. *Premium shown for third year and after. Premium for first two years, are 10 percent less for age 65 plan and 7½ percent less for age 60 plan. \$1,000 insurance or cash value if greater; \$10 monthly life income (120 months certain). Maturity cash value: Male, age 60, \$1,700, age 65, \$1,522; female age 60, \$1,893; age 65, \$1,700. Disability rate remains same through.

Wrong Impression in Table Clarified

Numerous inquiries have been received regarding the Prudential retirement contracts as a result of the table that appeared on page 2 of the Jan. 27 issue of THE NATIONAL UNDERWRITER. This table set out the changes that have been made in retirement income policies and carried the statement that the Prudential does not issue a retirement income.

Strictly speaking this is true, but the Prudential produces similar coverage with its continuous monthly income endowments. This contract is made up of endowment at age 65 for \$1,040, which amount will pay \$10 monthly for 10 years after maturity, and annual premium 10 year deferred annuity, which will pay \$10 per month for life (no re-

fund) starting at age 75. Up to and including the maturity date the company allows a surrender value on this deferred annuity portion as well as on the regular endowment, thus producing a cash value in excess of the face amount during the last few years before maturity.

In this same table the Mutual Life of New York retirement income (without insurance) was inadvertently shown instead of the endowment annuity which carries \$1,250 insurance for each \$10 monthly income unit. The endowment annuity cash value becomes the death benefit when it exceeds \$1,250. A note indicator (2) on the Mutual Benefit male income should be changed (to 13) to indicate that the male income is based on installment refund and female 120 months certain. The same premium is charged for men and women but the usual difference in cost equalized in this manner.

Mutual Life, N. Y., and Mutual Trust life income options were transposed in the January 20 table of settlement option changes, making Mutual Trust incomes appear less than are actually provided by the contract. Phoenix Mutual can now be added to the list, using the same income schedule as several others. The following tables give the correct data for the above mentioned cases:

Retirement Contracts With Insurance \$10 Mo. (Age 35 at Issue) Life Income, 120 Mos. Certain			
At 65 (Male)		At 60 (Female)	
Maturity	Value	Maturity	Value
Mutual	\$44.84	\$1,592.00	\$59.84
Mut. Life, N. Y.	49.93	1,547.99	69.86
Prudential	44.63	1,511.00	65.16

Male income is installment refund; female 120 months certain.

Monthly Life Income Settlement (Per \$1,000 Proceeds)			
10 Year Certain		Age 65	
Age 60	Male	Age 65	Female
Mut. Life, N. Y.	\$5.79	\$5.22	\$6.46
Mutual Trust	5.88	5.28	6.57
Phoenix Mutual	5.88	5.28	6.57
20 Years Certain		Age 65	
Age 60	Male	Age 65	Female
Mut. Life, N. Y.	\$4.80	\$4.56	\$5.01
Mutual Trust	5.00	4.73	5.23
Phoenix Mutual	5.00	4.73	5.23

Liberalizes Aircraft Clause

The Connecticut Mutual has liberalized its double benefit clause. As of Jan. 1 the company accepts liability in event of death by accidental means as a result of travel or flight as a fare paying passenger in a licensed passenger aircraft piloted by licensed passenger pilots on a scheduled passenger air service regu-

larly offered by an incorporated carrier between specified established airports.

Ohio State Presents Its New Rates

The Ohio State Life has issued its new rate book showing the premium rates on the new 3 percent reserve basis for participating policies, whereas the nonpart forms are at 3½ percent.

The participating 3 percent life policies are endowment at age 85, ordinary life, economist ordinary life (endowment at 90) 20 payment endowment at age 85, 20-payment life, paid up at age 60 and 65, and 10 and 15-payment life. The participating endowments are: 20, 25 and 30 year endowment at age 65, 10 and 15 year endowments, retirement income endowment at 55, 60 and 65.

The family income policies on 10, 15 and 20 year plans also are on a participating basis. The automatically convertible term policies are put out on the participating as well as nonparticipating basis, as is salary continuance insurance. The new 3 percent rates on a number of the more popular forms, with the dividend illustrations applicable in 1930, are:

(Annual Premiums per \$1,000)									
Age	Ord. Life (Min.)	20 Pay (Min.)	Econ. O. L. (Min.)	20 Ret. (Min.)	Inc. (Min.)	20 Yr. (Min.)	Ord. Life (Min.)	20 Pay (Min.)	Econ. O. L. (Min.)
20	\$18.01	\$27.82	\$16.81	\$48.22	\$24.42	\$21.98	18.01	27.82	16.81
21	18.40	28.25	17.17	48.31	25.13	22.43	18.40	28.25	17.17
22	18.80	28.69	17.55	48.41	25.88	22.89	18.80	28.69	17.55
23	19.22	29.15	17.94	48.50	26.69	23.38	19.22	29.15	17.94
24	19.63	29.62	18.36	48.60	27.51	23.90	19.63	29.62	18.36
25	20.14	30.12	18.80	48.72	28.34	24.43	20.14	30.12	18.80
26	20.64	30.63	19.26	48.84	29.26	25.02	20.64	30.63	19.26
27	21.15	31.16	19.74	48.96	30.25	25.64	21.15	31.16	19.74
28	21.69	31.71	20.24	49.10	31.41	26.30	21.69	31.71	20.24
29	22.26	32.28	20.78	49.25	32.54	27.02	22.26	32.28	20.78
30	22.85	32.87	21.34	49.42	33.74	27.78	22.85	32.87	21.34
31	23.49	33.49	21.92	49.61	35.02	28.62	23.49	33.49	21.92
32	24.15	34.13	22.54	49.79	36.38	29.52	24.15	34.13	22.54
33	24.84	34.80	23.18	50.00	37.85	30.49	24.84	34.80	23.18
34	25.58	35.49	23.87	50.23	39.41	31.54	25.58	35.49	23.87
35	26.35	36.22	24.59	50.49	41.09	32.67	26.35	36.22	24.59
36	27.18	36.98	25.36	50.75	42.88	33.90	27.18	36.98	25.36
37	28.04	37.77	26.17	51.05	44.83	35.21	28.04	37.77	26.17
38	28.95	38.60	27.02	51.39	46.93	36.63	28.95	38.60	27.02
39	29.91	39.47	27.94	51.75	49.20	38.16	29.91	39.47	27.94
40	30.94	40.38	28.96	52.16	51.65	39.82	30.94	40.38	28.96
41	32.03	41.34	29.91	52.62	54.31	41.60	32.03	41.34	29.91
42	33.18	42.35	30.98	53.11	57.23	43.52	33.18	42.35	30.98
43	34.40	43.41	32.13	53.67	60.43	45.58	34.40	43.41	32.13
44	35.70	44.54	33.34	54.28	63.93	47.83	35.70	44.54	33.34
45	37.09	45.73	34.62	54.97	67.65	50.28	37.09	45.73	34.62
46	38.55	46.99	36.00	55.71	72.05	52.84	38.55	46.99	36.00
47	40.11	48.33	37.47	56.55	76.80	55.65	40.11	48.33	37.47
48	41.79	49.75	39.02	57.49	82.11	58.68	41.79	49.75	39.02
49	43.56	51.26	40.68	58.52	88.09	61.99	43.56	51.26	40.68
50	45.45	52.87	42.45	59.66	94.87	65.46	45.45	52.87	42.45
51	47.46	54.58	44.33	60.92	102.60	69.00	47.46	54.58	44.33
52	49.60	56.41	46.33	62.30	111.50	72.60	49.60	56.41	46.33
53	51.89	58.36	48.47	63.83	121.84	76.30	51.89	58.36	48.47
54	54.33	60.45	50.75	65.51	134.04	80.10	54.33	60.45	50.75
55	56.93	62.68	53.18	67.36	148.61	84.00	56.93	62.68	53.18
56	59.70	65.07	55.78	69.36	165.00	88.00	59.70	65.07	55.78
57	62.66	67.55	58.55	71.50	184.00	92.00	62.66	67.55	58.55
58	65.83	70.12	61.52	73.75	205.00	96.00	65.83	70.12	61.52
59	69.21	72.84	64.68	76.10	228.00	100.00	69.21	72.84	64.68
60	72.84	75.68	68.07	78.55	253.00	104.00	72.84	75.68	68.07

Dividends End of Year									
Ordinary Life		20 Payment Life		20 Year Endowment		Economist Ordinary Life		Accu. 20 Years	
Age	1	5	10	15	20	Age	1	5	10
20	\$3.88	\$4.15	\$4.57	\$5.36	\$6.10	20	3.88	4.15	4.57
25	4.12	4.45	4.82	5.63	6.54	25	3.94	4.23	4.57
30	4.34	4.61	4.97	5.94	7.19	30	4.17	4.64	5.40
35	4.55	4.81	5.28	6.65	8.18	35	4.27	4.86	5.91
40	4.72	5.14	5.91	7.63	9.24	40	4.58	5.47	6.70
45	5.09	5.80	6.83	8.66	10.00	45	5.47	6.52	7.68
50	5.94	6.85	7.88	9.47	10.35	50	6.83	7.81	8.47
55	7.21	8.10	8.63	9.75	12.23	55	8.88	9.09	11.00
60	8.53	8.80	9.09	11.00	15.26	60			

New Guardian Life Contracts

The new special life income policy of Guardian Life is based on higher maturity values because of the new basis for life income. The new maturity value for the contract maturing at age 55 is \$1,890; age 60, \$1,698; age 65, \$1,522. Premiums are the same for men and women but instead of a \$10 monthly life income, women receive \$9.05 on the age 55 plan; \$8.98 at age 60; \$8.96 at age 65.

At the same time, the company has brought out a life contract paid up at age 65. This type of policy has become popular in the last year, as it ties into the social security setup. The new premiums are shown herewith:

Rates Per \$1,000 (Participating)				
Age	End. Age 55	End. Age 60	End. Age 65	Life Pd. up Age 65
10	\$28.38	\$23.20	\$19.65	\$15.44
15	33.43	26.75	22.23	17.01
20	40.19	31.38	25.53	19.01
25	49.46	37.54	29.82	21.53
30	62.80	46.03	35.57	24.90
35	83.21	58.22	43.47	29.55
40	117.71	76.83	54.78	36.80
45	187.27	108.26	72.08	45.71
50	171.38	101.10	61.54	41.54
55	158.66	101.10	61.54	41.54

*\$1,000 insurance or cash value if greater. At maturity \$10 monthly life income (female, \$9.05 at age 55, \$8.98 at age 60, \$8.96 at age 65), 10 years certain. Maturity cash value, age 55, \$1,890, age 60, \$1,698, age 65, \$1,522.

Roy Davis Gives a Glimpse at Inside

Roy L. Davis, assistant Illinois insurance director, in a talk before the Freeport, Ill., life men said that last year Illinois policyholders paid over \$450,000,000 in premiums, and that of this 70 percent represented life premiums, 17 percent casualty, 12 percent fire and allied lines. The state department supervises 1,165 insurance institutions. There is on deposit with the department securities amounting to more than \$40,000,000 for the protection of policyholders. Agents, brokers and solicitors licensed total more than 90,000 in the state.

Nothing Basically Wrong

"There is absolutely nothing basically wrong with insurance," said Mr. Davis. "There are some features of the business in general which could well stand improvement, both from the company and individual standpoint. These improvements, both the department as a whole and the insurance companies are striving to bring about."

"America is not over-insured. When we consider that the million-dollar individual insurance policy is averaged up by low amounts carried by several millions of insured and that the average becomes slightly more than \$700 per individual, then we must admit there is still a great need for additional insurance protection."

Need for More Insurance

"Not only is there need for more life and casualty and health insurance in the nation, but when we consider the fact that only 30 percent of the automobiles traveling the highway and constituting in many instances a menace to life and property, and that many householders carry small sums of life insurance, but nothing on their homes or personal belongings, then we realize that there is an urgent need for still more protection along these lines."

"The public is more insurance-conscious today than ever before," said Mr. Davis, "and insurance can be looked upon as a form of individual social security."

B. J. Perry, president Massachusetts Mutual Life, has been elected a director of Springfield Fire & Marine and its affiliated institutions.



The Traveler's Choice

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The choice is easily made. The Andrews Hotel is situated in the center of the downtown district—a few steps to shops and amusements. Guests are always comfortable in pleasant, homelike rooms. Appetizing food for breakfast, luncheon and dinner—served in the Coffee Shop. . . . Garage service. . . . All rates are reasonable.

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